



Cohesion policy implementation, performance and communication

North East England case study

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1. Introduction

The objective of this case study is to investigate EU Cohesion policy performance and communication in North East England and the impact on citizens' attitudes to the EU. The case study also contextualises comparative COHESIFY research findings and provides more in-depth insights into the performance and communication of Cohesion policy.

The case study investigates EU Cohesion policy in the North East England region in the 2007-13 and 2014-2020 periods. The selection criteria for the case study included Cohesion policy eligibility and financial intensity, programme type, governance and implementation context, and European attitudes/identity.

- **Funding and eligibility.** In 2014-20, the NEE region received EU funding as part of a nationwide ERDF OP and one nationwide ESF OP covering all regions. While there is no geographical breakdown available of funding allocations to the NEE, the two LEP areas corresponding to the North East region have nominal funding allocations of just under ERDF €410 million, which is slightly greater than the allocation for 2007-2013. In the previous 2007-13 period, the region had a single regional Operational Programme dedicated to the NEE region (OP).
- **Governance.** The political-institutional governance of the North East England region is characterised by the absence of an elected regional tier of autonomous government, providing a useful comparator with the devolved and autonomous decision-making capacity of Scotland (the other UK case study). The Managing Authority for the ERDF and ESF programmes is a national government Ministerial department, although regional institutions have had a powerful decision-making role in the past. In the 2007-13 period, the NEE region was covered by a single regional programme with a high level of strategic and management decision-making responsibility and capacity at the regional level through the vesting of delegated implementation granted in the region's development agency (ONE North East). Following the abolition of regional government offices and regional development agencies across England in 2010/2011, decision-making was more centralised in the national MA for the remainder of the 2011-13 programme period; and in the new 2014-20 programme through an England-wide programme with some implementation and oversight responsibilities retained in two Local Enterprise Partnerships (for the North East and Tees Valley sub-regions of the North East area).
- **EU attitudes and identity.** North East England is a Eurosceptic region by EU standards in terms of the relative percentage of the population voting for anti-EU parties in Parliament elections, and demonstrated more recently by the majority vote to leave the EU (58%) in the 2016 referendum vote, although a very slim majority favoured remaining (50.7%) in the capital city of Newcastle. This contrasts with Scotland (the comparator UK region) where a large majority (62%) voted to remain in the EU with all local authorities backing staying in the EU. The North East England region also lacks a strong subnational/regional identity compared to other UK regions such as Scotland and Wales.
- **Implementation settings.** The case study selection of COHESIFY regions was also informed by two territorial typologies. This first analysed the regional relevance of EU policies in terms of objective vulnerability, receptivity and desirability of EU policies from the point of view of the structural development situation, needs and challenges of regions (Capello and Perruca 2017), along with the analysis of relations between the features of territories, their receptiveness to EU policies and the perceptions of the EU and EU Cohesion policy. Most of NEE England was classified as an appropriate policy (i.e. match between real and perceived needs) and Eurosceptic context (i.e. the good quality of

institutions is not matched with a widespread support to EU institutions). The analysis of European identification in EU regions based on two dimensions – citizens' image of the EU and their attachment to the EU – using Eurobarometer data showed that a *negative* image prevails in all NEE England although the majority of citizens feel *attached* to the EU (Dąbrowski et al. 2017).

This case study is based on a mixed methods design employing desk research combined with a number of additional methods and original data sources.

- *Stakeholder survey.* An online survey of policy stakeholders was carried out in the spring – summer of 2017. The survey was sent to 59 stakeholders, involved in ESI Funds' delivery during the 2007-13 and 2014-20 programming periods, including (i) Monitoring Committee members: stakeholders involved in the management and monitoring of operational Programmes, including Managing Authorities, implementing bodies, associations of local authorities or businesses, economic and social partners, education institutions, civil society organisations and NGOs; (ii) local state authorities: stakeholders involved in the delivery of EU projects as project promoters at the local level, (iii) and other economic development stakeholders. The response rate was 21% (i.e. 12 responses out of 59 invitations) following several reminders.
- *Stakeholder interviews.* Interviews were conducted with 15 stakeholders representing the Managing Authority (including a Communication officer), economic and social partners, civil society organisations, local governments and local authority associations, and implementing partners at regional and national level.
- *Focus groups.* Focus groups were held with 21 citizens in the city of Newcastle to discuss EU funding, EU attitudes and European identity. The three groups included between 6-8 participants. All participants were residents in the North East England region and were recruited through the citizen survey discussed below.
- *Citizen survey.* The analysis also draws on the results of a citizen survey of citizens in the North East England region, which asked a representative sample of 500 citizens about their awareness and perceptions of Cohesion policy as well as their attitudes to and identification with the EU (Borz et al. 2017).

The case study is structured as follows. The contextual scene is set in the next section by reviewing the socio-economic and political background including public opinion on the EU, territorial identity issues and political context. It then proceeds to the analysis of the implementation and performance of Cohesion policy, based on desk research, stakeholders' surveys and interviews. The analysis of the communication aspects follows in terms of the effectiveness of communication strategies and wider media framing of Cohesion policy, based on desk research, surveys, interviews and media framing analysis. Public perceptions of Cohesion policy and the impact of Cohesion policy on identification with the EU are reviewed in the final sections, drawing on policymaker surveys and interviews, the citizen survey and focus group results. The key findings are summarised in the conclusion including the policy implications and recommendations.

2. Context and background

2.1 EU attitudes and identity

Trends in EU attitudes and identity in the North East of England are difficult to assess due to the absence of regional data within England or time-series data. Comparative analysis of regional patterns of political support for the EU across larger territorial units (London, North, Midlands and South) has found generally lower levels of euroscepticism in London and the North of England (the latter including North West, North East and Yorkshire and the Humber regions combined) compared to the Midlands and the South (Henderson 2016). However, the differences are not strong. Further, the evolution of political support for the EU is broadly similar across the four regions with all regions witnessing declining support for the EU since the mid-1990s/early 2000s, potentially linked to the UK leaving the exchange rate mechanism and hostility to the Treaty of Maastricht (Henderson et al. 2016).

Comparative analysis across EU regions suggests that the North East of England is a Eurosceptic region by EU standards, reflected in a relatively higher vote share for anti-EU parties in European Parliament elections (Capello and Perruca 2017).

More recently, the UK referendum vote to leave the EU demonstrates that the North East England region was among the most Eurosceptic regions in the UK, ranking 10th out of 12 UK regions with the highest share of leave voters. The vote share of leave voters in the North East England was 58% (compared to a national average of 51.9%), although there was a slim majority favouring remain (50.7%) in the North East capital city of Newcastle. This contrasts with Scotland where a large majority (62%) voted to remain in the EU with all local authorities backing staying in the EU.

While the North East of England lacks a strong political and cultural identity comparable to Scotland and Wales, it has a stronger regional identity than any other English region (Parks and Elcock 2000). Survey evidence shows that more people in the North East 'feel very proud' of their region (Curtice 2006) and have a stronger English identity (Wyn Jones *et al.* 2013) than any other UK region. The source of identity in the North East is historical and cultural distinctiveness tied to its industrial past (once dominated by coal mining and shipbuilding) and geographical position as a border territory with Scotland (Colls and Lancaster, 1992; Tomaney and Ward 2001; Nayak 2003; Antonsich 2010). Finally, polling evidence suggest that the English component of identity (relative to British identity) has become more important since the early 2000s (Henderson *et al.* 2016).

2.2 Political context

North East England has been a traditional stronghold of the UK Labour Party, which has been the dominant political force historically and to the present day underpinned by working class based tribal loyalties to the party. Analysis of the main party manifestos in the UK as part of the COHESIFY study shows that while the Conservative Party, British National Party (BNP) and UK Independence Party (UKIP) are heavily opposed to European integration and EU Cohesion policy, the Labour Party, the Liberal Democrats and the Green Party are strongly in favour of it (Gross and Debus 2017).

2.3 Regional and local governance

There is no autonomous regional tier of government in England and a referendum vote on the creation of an elected assembly in the North East England was rejected. In 2004, the Labour government had announced a referendum on the devolution of power to all of England's regions. Initially, the referendum was to take place in regions where surveyed citizens were most in favour of devolution: the North East, the North West, and Yorkshire and the Humber. Subsequent fears that the referendums would be lost in the North West and Yorkshire and the Humber regions, led the government to hold the referendum only in the North East region, where it was thought that a strong pro-Labour loyalty and a positive image of the regional assembly could lead to a positive result (Pearce 2007). However, an overwhelming majority of voters in the North East (78%) voted against an elected regional assembly due to perceptions that it would be ineffective as well as a weak campaign compared to the 'no' side, ending the plans for devolution of power to the English regions (Railings and Thrasher 2006).

Following the change of government to a Conservatives-Liberal Democratic collation in 2010, a local development policy and devolution agenda was pursued and the regional development agencies (e.g. One NorthEast) and regional Government Offices were dismantled. In place of the RDAs, 39 Local Enterprise Partnerships (LEPs) were established as local authority/business alliances across functional economic areas to steer growth strategically in local communities. Local Devolution Deals were subsequently agreed across England since 2014 to support economic growth and rebalancing, public service reform and improved local accountability. These efforts were strengthened via the Cities and Local Government Devolution Act of 2016, providing for the introduction of directly-elected mayors in combined local authorities in England and Wales.

Initially, two Combined Authorities (North East and Teesside) were set up in the North East of England. The North East Combined Authority was the first to be set up in 2014 bringing together seven local councils. However, in 2018 a new devolution agreement was approved for a new North of Tyne Combined Authority covering three of the seven local authorities (Newcastle, Northumberland and North Tyneside) with an expected mayoral election in 2018. The Teesside Combined Authority was set up in 2016 and covers 5 local authorities with a directly-elected mayor in place since 2017.

3. Cohesion policy implementation and performance

3.1 Strategic and implementation framework

North East England (NEE) is one of nine NUTS 1 regions in England. At 8,600 km² it is one of the smaller English regions by area. It has three main urban centres - Tyneside (the largest), Teesside and Wearside – and is made up of four historical counties: Northumberland, Tyne & Wear, County Durham and Teesside. Apart from these main areas, the region is characterised by a largely rural and sparsely populated landscape; particularly in Northumberland. NEE has historically had a strong regional identity and has been a beneficiary of Structural Funds since 1975.

In the 2007-13 funding period the whole of the NEE region was categorised under the Regional Competitiveness and Employment objective of the Structural Funds. The region had a single regional Operational Programme (OP) supported by the ERDF. There was no ESF equivalent. Instead, a national ESF OP was delivered and a regional ESF Framework was used to coordinate its delivery in NEE.

The strategic focus, aims and objectives of the Structural Funds in NEE have evolved over successive programming periods. The urban agglomerations in NEE have a historical legacy as former industrial centres specialising in steel production, heavy engineering and chemical industries. The post-industrial era has seen the performance of these traditional industries wane, and so regional policy supported by the Structural funds has largely focussed on restructuring the regional economy and reorienting its workforce towards higher added value manufacturing, services, and tourism. The redevelopment and renewal of infrastructure, including the gentrification of old industrial urban core areas, has been very much a part of this. At the outset of the 2007-13 period, this transition was ongoing and the region's social and economic development challenges were shaped by ongoing structural problems. The 2007-13 OP identified the following main challenges:

- low levels of enterprise, which has constrained employment growth.
- low productivity –substantially reflecting the composition and recent evolution of economic activity.
- Small regional market – placing a premium on exploiting opportunities that are external to the region
- Spatial concentrations of weaknesses in human resources and economic activity – which are a reflection of the pattern of settlement reflecting a historic economic rationale and the existence of factors that restrict adjustment of markets.

Therefore, the main socio-economic needs were centred on increasing GVA, increasing the number of new businesses, increasing R&D expenditure, improving environmental performance of businesses and increasing productivity (Charles and Michie, 2013, p.28). Three Priority axes were selected for the NEE ERDF ROP 2007-13 with the following financial allocations.

Table 1: Priority axes and allocations in 2007-2013: pre-revision

| <i>North East England ROP 2007-2013</i> | | |
|---|---------------------|-----------------------|
| Priority axes | ERDF allocation (%) | ERDF allocation (EUR) |
| 1. Enhancing and exploiting innovation | 53.0% | 199 120 428 |
| 2. Business growth and enterprise | 43.0% | 161 550 536 |
| 3. Technical assistance | 4.0% | 15 027 956 |
| Total | 100% | 375 698 920 |

Source: Inforegio (2017) http://ec.europa.eu/regional_policy/en/atlas/programmes/2007-2013/united-kingdom/operational-programme-north-east-of-england

Rather than standing as a separate programme, the NEE ERDF OP 2007-13 supported the broader aims of a Regional Economic Strategy for the North East of England, which in turn was primarily supported by a domestic regional policy funding allocation (known as the Single Programme). The ERDF contribution equated to approximately 29% of the total Single Programme allocation; its added value and additionality was intended to be ensured by concentrating its impact within a few key thematic areas.

The MA in the 2007-13 period was a central government department: the Secretary of State for Communities and Local Government. This was supported by the regional Government Office North East (GONE), which was established in 1994 and afforded the UK Central Government departments a physical regional presence. In 1999 a regional body – the One NorthEast Regional Development Agency – was created and for the 2007-13 period it was appointed as an Intermediate Body. One

Northeast was delegated many implementation responsibilities, including oversight of the Regional Economic Strategy.

The 2008/2009 recession had a significant negative impact on the economy of NEE. Disruption to the implementation of the ERDF programme was further compounded by domestic policy changes. Following the election of a new Conservative/Liberal Democrat coalition government in 2010, the decision was made to abolish all nine RDAs; this meant the closure of the regional government office (One NorthEast) and the resultant transition of ERDF staff to the national Department for Communities and Local Government (DCLG), the programme MA, based primarily in London. As a result the OP was realigned in July 2011 via a request to the European Commission. These changes were not intended to alter the fundamental strategic orientation of the OP. They placed a greater priority on capital investment in support of economic infrastructure, particularly via Priority Axis 2. The allocation to the Technical Assistance priority axis was reduced.

Table 2: Priority axes and allocations in 2007-2013: post-revision of July 2011 (with % changes)

| <i>North East England ROP 2007-2013</i> | | |
|---|---------------------|-----------------------|
| Priority axes | ERDF allocation (%) | ERDF allocation (EUR) |
| 1. Enhancing and exploiting innovation | 53.5% (+0.5%) | 200 998 922 |
| 2. Business growth and enterprise | 43.5% (+0.5%) | 163 429 030 |
| 3. Technical assistance | 3.0% (-1.0%) | 11 270 968 |
| Total | 100% | |

Source: Government Office for the North East (2011) Competitiveness and Employment ERDF Operational Programme Document 2007-2013; Modification Proposal July 2011 (SFC Version 6 01.08.11)

The current 2014-2020 period has seen the discontinuation of a Regional OP for NEE. Instead, England now has one nationwide ERDF OP and one nationwide ESF OP covering all regions:

- €3,628 million - European Regional Development Fund England Operational Programme 2014 to 2020
- €3,468 million - European Social Fund Operational Programme 2014-2020

More than 80 percent of the ERDF OP is concentrated on three priority axes with the largest share allocated to SME competitiveness (PA3), accounting for more than 40 percent of the programme. This is followed by Research and Innovation (PA1) and the low-carbon-economy objectives (PA4) both of which account for more than 20 percent of funding respectively.

While there is no geographical breakdown available of funding allocations to the NEE, the two LEP areas corresponding to the North East region have nominal funding allocations of just under ERDF €410 million which is greater than the allocation for 2007-2013:

- North East LEP: €289.5m ERDF and €256.9m ESF = €546.4 million
- Tees Valley LEP: €120.8m ERDF and €95.2m = €216 million

Table 3: Priority axes and allocations in 2014-2020: England ERDF OP*

| <i>England ERDF OP 2014-2020</i> | | | |
|----------------------------------|---------------------|---------------------|--------------------------------|
| Priority allocation | Source of financing | ERDF allocation (%) | ERDF allocation (EUR millions) |

| <i>England ERDF OP 2014-2020</i> | | | |
|---|---------------------|---------------------|--------------------------------|
| Priority allocation | Source of financing | ERDF allocation (%) | ERDF allocation (EUR millions) |
| Promoting research and innovation | ERDF | 23% | 782.5 |
| Enhancing access to, and use and quality of, ICT | ERDF | 4% | 138.4 |
| Enhancing the competitiveness of SMEs | ERDF | 42% | 1464.2 |
| Supporting the shift towards a low carbon economy in all sectors | ERDF | 23% | 810.1 |
| Promoting climate change adaptation, risk prevention and management | ERDF | 2% | 70.0 |
| Preserving and protecting the environment and promoting resource efficiency | ESF | 3% | 108.7 |
| Sustainable transport in Cornwall and the Isles of Scilly | ERDF | 2% | 57.9 |
| Promoting social inclusion and combating poverty and any discrimination | ERDF | 1% | 26.1 |
| Total | | 100% | 3457.8 |

*Technical Assistance not included

Source: Department for Communities and Local Government (July 2015) European Regional Development Fund, England Operational Programme 2014 to 2020; Table 18c: Breakdown of the financial plan by priority axis, fund, category of region and thematic objective

The balance of investment priorities in NEE has continued to evolve in the current period, partly driven by the EU-led approach to thematic concentration in the use of the funds. The use of ESIF funding in each LEP area is strategically aligned with each respective Strategic Economic Plan. These strategies direct the use of ESF and EAFRD, as well as ERDF. However, the two LEP areas in North East England have similar development needs.

The Tees Valley ESIF strategy places a strong emphasis on using ERDF to support and enhance competitive advantage in industry areas of existing strength – advanced manufacturing, engineering, process industries – in an approach akin to smart specialisation. In this respect it demonstrates a continuation of the emphasis on industrial modernisation in NEE over the previous funding periods.

The NE LEP ESIF strategy similarly places an emphasis on supporting business and SME competitiveness. As a geographically larger area, the NE LEP ESIF strategy places more of an emphasis on a spatially differentiated approach between Northumberland and Tyne & Wear (More Developed status) and County Durham (Transition status). For example, in Durham a greater proportion of ERDF funding is allocated to Priority Axes 1 and 3 (69%) than in Northumberland and Tyne & Wear (62%), whereas the latter has a greater percentage of ERDF funding allocated to Priority Axis 4 (low carbon economy).

In both the NE LEP area and the Tees Valley LEP area, the use of ESF is now more geared towards supporting youth employment through Youth Employment Initiative (YEI) funding, and supporting employability; in Tees Valley one of the headline goals of the Strategic Economic Plan is to raise the employment rate from 68.5% to the then-national average of 73.2%. These emphases have been shaped largely by national economic trends; particularly the slowdown in real wage growth since

the 2008/09 financial recession and the reduction in employment opportunities associated with national economic inertia.

In summary, the NEE strategic approach in the current period as compared with 2007-13 is largely a product of changing national and EU-wide direction in the use of the ESI funds. It has become more focussed on concentrated spending in a smaller number of thematic fields such as SME competitiveness, aimed at driving regional growth through productivity increase. In Tees Valley (and to a less obvious extent the NE LEP area) the focus is on strategic interventions targeting selected industry areas in a manner akin to smart specialisation. Projects are arguably more dependent on leveraging domestic co-financing than they were in 2007-13. The overall objectives of increased SME business growth (a traditionally weak area in NEE) and productivity enhancement remain significant, as they did in 2007-2013. The use of ESF follows similar trends, but the current period has seen a greater focus on supporting youth employment and basic skills provision.

Interviewees corroborated the fact that the overarching development issue faced by NEE is one of structural economic change. Despite progress over the past 25 years, the region remains strongly shaped by its old industrial economic legacy; such problems include poor productivity, low levels of R&D and innovation performance, a skills shortage and mismatch, and pockets of social deprivation. As noted by one interviewee:

'The key challenges from an ERDF perspective are economic performance of the region, going towards the upper quartile of UK and the EU in terms of economic participation, productivity and jobs. The economic performance of the region continues to lag the English average, and [we are] acutely aware of that.'

Implementation framework and partnership structures

The current management setup in 2014-20 is characterised by a two-tier structure. The MAs carry out the executive functions required by EU Regulations, including oversight of the England ESIF Communications Strategy for 2014-2020. The Growth Programme Board (GPB) ensures compliance with EU monitoring and evaluation requirements. The GPB also delivers non-regulatory strategic functions with support from the nine thematic National Sub-committees. The MA and its attendant national-level architecture has an oversight and executive approval function, adhering to the strategic aims set out in the national OP documents.

The MAs also have a physical regional presence. DCLG and DWP representatives sit on both the NE LEP ESIF subcommittee and the Tees Valley LEP ESIF subcommittee. DCLG also has Growth Delivery Teams assigned to the English regions. While the MAs in England are centralised and operate in a predominantly top-down manner, there are established avenues of communication and accountability between the national and regional tiers.

The England ERDF OP 2014-2020 document states that the LEP ESIF subcommittees 'operate as sub-committees of the GPB, to whom they will report... [they] complement the functions of the Managing Authority.'¹ At the regional level, the successful operation of the LEP ESIF subcommittees depends heavily on a connected partnership approach. Representation from regional stakeholders ensures engagement with local needs throughout the programme lifecycle, and ensure that this information is conveyed to the MAs; although the GPB does not have a regional representative from NEE.²

¹ England ERDF OP 2014-2020, p.215

² Based on the most recent available membership list, 25 September 2017

The primary fora for discussing Cohesion policy implementation, performance and achievements are the two LEP ESIF subcommittees. Some regional organisations also operate their own networks and play a role in engaging regional applicants and disseminating information and communications. These include industry/sector representative organisations such as the Federation of Small Businesses (FSB), the North East Chamber of Commerce (NECC), and County Durham Economic Partnership (CDEP); some have ESIF committee membership.

Regional governance also performs a role in encouraging wider engagement and discussion about the ESI Funds in NEE. There are 12 local authorities in NEE. They make up two Combined Authorities; the North East Combined Authority (NECA), made up of seven local authorities, and the Tees Valley Combined Authority (TVCA), made up of five local authorities. The lead partner for NECA is South Tyneside council, which has a permanent presence on the NE LEP ESIF subcommittee. All five TVCA local authorities have a representative on the Tees Valley LEP ESIF committee. Each local authority in North East England supports LEP and MA efforts to promote accessibility to ESI Funds, engage local stakeholders and support project applications.

Interviewees noted that the rationale behind the introduction of the LEPs was functional economic geographies; agglomerations of economic activity and spatially coherent labour markets. This has led to a more disaggregated structure in the current 2014-20 period, with partnership activities being conducted by each LEP individually. On average, each LEP area in England covers nine local authorities.

It was also noted that partnership through the LEPs had taken on a greater significance in light of the lesser financial and capacity resources allocated to the LEPs in comparison with the old RDAs:

'In reality, the LEPS have a fairly limited resource compared to the RDAs. So... there is certainly a difference there in terms of their organisational capacity, which a number of LEP areas would recognise. [This] does create challenge if [the LEPs] haven't got the organisational capacity out there with... partners.'

In other words, partnership via the LEP ESIF subcommittees is not simply desirable for the purposes of accountability and transparency; it is essential to their functional viability. A criticism relating to the representativeness of the LEP ESIF subcommittees by one interviewee is the dominance of public sector members and that the private sector is under-represented in comparison. In the most recently available membership list from 16 May 2017, three of 20 members were listed as belonging to private sector organisations. However interviewees also acknowledged that 'rules dictate that there should be presence of the charity sector, voluntary sector' members on ESIF subcommittees. In other words, it was recognised and appreciated that the regulations aim to ensure representation from a range of stakeholders.

3.2 Performance

3.2.1 Programme performance

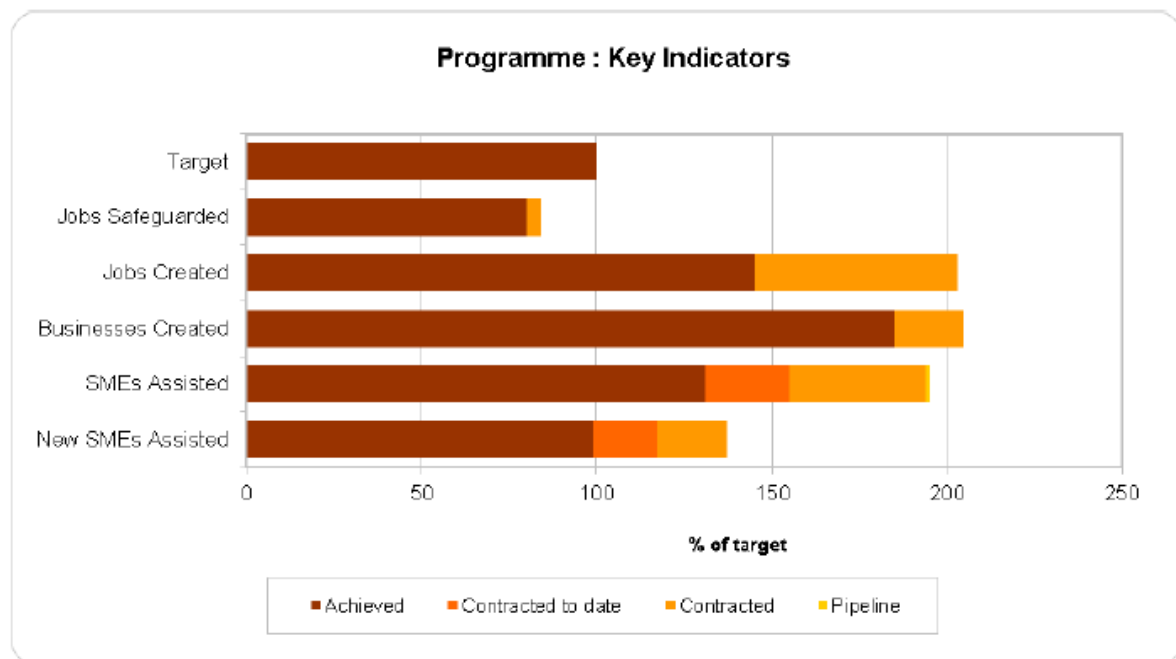
The overall vision for the NEE ERDF OP in 2007-2013 was to make the region a more cohesive, ambitious and attractive place in which to invest and work based on the creation of a modern, innovation focused economy. To this end and as noted, the programme was structured in two main priorities: 1) Enhancing and exploiting innovation (53 percent of funding), with an the emphasis on supporting Innovation Connectors to build capacity in high value added manufacturing and process industries; and 2) Business growth and enterprise (43 percent of the overall budget) to build an entrepreneurial culture with a strong focus on the most disadvantaged areas. For each priority, six output indicators, seven result indicators and two impact indicators were defined with targets set for the whole programme period.

The latest available data on programme achievements against key outputs and result targets at the end of December 2014 is reported as (AIR 2014):

- 14,746 Gross jobs created
- 4,984 Gross businesses created
- 13,371 SMEs Assisted
- 5,082 New SMEs assisted
- 14,629 Gross jobs safeguarded

Compared to targets, the programme had overachieved in jobs created, business created and SMEs assisted by the end of 2014. While the programme was unlikely to meet the jobs safeguarded target, the shortfall was below the 25% underachievement tolerance level accepted by the European Commission, according to the AIR. Contrasting with the AIR data, an evaluation of the 2007-13 programme suggested that the programme was struggling with job creation given the extremely adverse conditions of the global financial crisis and austerity budgets in the UK (Charles and Michie 2013).

Figure 1: Key performance indicators



Source: AIR 2014, p10

Financial instruments constitute a significant share of the NEE programme, accounting for over 20% of the ERDF allocation. The JEREMIE holding fund, the Finance for Business NorthEast (FBNE), had a budget of €136 million (35% from the ERDF). By the end of 2014, the fund had performed well against its output target and had achieved consistent outcomes (APPLICA et al. 2016). Although the amount of funding returned (€32.5 million) is well below expectations (€193.8 million), it performed well in relation to the number of SMEs supported and new jobs created and survival rates but cost efficiency was below target values, partly because of the large number of funds and high associated management costs (*Ibid.*).

The main findings of the Mid Term Evaluation can be summarised as follows (Regeneris 2011)

- **Strategy.** The OP strategy - focussed on achieving long-term competitiveness and a strong alignment with the Lisbon Agenda) remained relevant and appropriate to needs.
- **Management and partnership.** The assessment of management systems and processes indicated that the programme had been administered efficiently and effectively. Governance in particular was considered to be open and transparent and partnership strong.
- **Financial and non-financial progress.** The Programme made good progress in terms of spending/absorption (all N+2 targets having been met) with an appropriate level of outputs contracted for the level of ERDF committed.
- **Impact and efficiency.** Progress against impact targets was found to be favourable with significant levels of satisfaction reported by SMEs in receipt of direct ERDF support, e.g. 89% found that support had either met or exceeded expectations. Key performance benchmarks were identified as £2 of net additional GVA created for every £1 of ERDF invested. Whilst this is considered to be relatively low, if safeguarded net additional GVA is included, the programme has generated £21 GVA for every £1 of ERDF invested, which was considered good progress given the challenging socio-economic conditions. Similarly, if net additional jobs created and safeguarded were taken into account, the programme was reported to have required £7,300 of ERDF spent per job, which was reported as competitive by the evaluators.
- **Performance challenges.** Challenges of translating contracted outputs and spend into actual performance increased as a direct result of uncertainty over availability of future public sector match funding in the context of public sector funding cuts, reduced capacity and significant change in the institutional and delivery structures (the abolition of the Regional intermediate body). This was reported as having impacting on both programme assumptions and performance when added to the significant changes in the socio-economic context.
- **The overarching conclusions of the MTE** were that the programme was considered to be on track to deliver financial and non-financial targets but that the impact of the economic crisis and changes to the delivery and institutional framework since 2010 were likely to impact progress in the second half of the programme. In light of this, the MTE recommended a programme modification to strengthen the capital focus of spending and to revise output and indicator targets to reflect new economic and delivery realities and to ensure that targets remain achievable.

External research sponsored by the European Commission suggests that the programme was relevant but not able to address all regional needs (Charles and Michie 2013). While focusing on enterprise and innovation to ensure critical mass and address EU thematic objectives, the programme withdrew from general physical and community regeneration improving its relevance, prioritisation and potential impact. However, the scale of the problem in the most disadvantaged areas of the North East is such that their needs are not being fully addressed. Further, the transformational objectives set in terms of GVA and employment were unlikely to be achieved given the level of investment from the programmes.

Beyond these studies, a credible and robust assessment of impact is not available because no ex-post evaluation of the 2007-13 NEE OP was commissioned. A scoping study of the seven 'Innovation Connectors' and their potential for community engagement was commissioned at the mid-term point but this was mainly to identify opportunities to promote employment and enterprise among under-represented groups rather than to assess impacts, and the report has not been published.

Further implementation issues impacting on performance are reported in the annual implementation reports. In line with the MTE findings, a modification of the OP was proposed and

accepted by the Commission in 2012 to change some output, result and impact targets to better reflect the reality of the new socio-economic and delivery context; and to re-balance priorities to strengthen the capital expenditure focus through increased priority on investment in infrastructure and strategic sites in support of innovation, jobs and growth.

The crisis had had a significant impact on implementation. It is of note that North East England along with the Yorkshire and Humber regions were the worst hit regions by the crisis in the UK with the highest rises in unemployment from 2008-2013 (UK Strategic Report, 2012). The impact of the crisis and associated austerity in the public sector combined with the increased compliance orientation of EU rules led to significant implementation challenges including (AIR 2013; 2014):

- lack of match funds;
- loss of wider economic development capacity in applicant organisations;
- resource constraints in both public and private sector;
- increased propensity for potential applicants and beneficiaries to be risk averse thus discouraging participation in the ERDF programme; and
- breaches of public procurement rules which led to funding interruptions/suspensions with a considerable impact on staff time and resources

Interviewed stakeholders in NEE generally feel that the changes in management and implementation structure between the previous (2007-13) and current periods have had a detrimental effect on the effectiveness of programme delivery. The management structures in 2007-13 were generally seen as robust and transparent, due in part to their physical situation in the North East region. The reduction in effectiveness is primarily due to the greater centralisation of decision-making powers in the current period, and the lack of economic resource available to support the LEPs. Specifically:

The LEP ESIF subcommittees do not have formal decision-making powers; for example, authority over project approvals. Their main function is to ensure strategic steer and fit within both the national OPs priorities and their respective local strategies, the North East LEP area ESIF Strategy 2014-2020 and the Tees Valley ESIF Strategy. Executive decisions such as approval of projects are made by the MA. In comparison with the 2007-13 period, stakeholders feel that this reduction in regional autonomy results in misalignment between locally situated NEE development needs, and the types of project calls that are authorised by the MA. The situation with regard to ESF is seen as similar in that the management and governance structure is based on national teams making decision about regional (or local scale) interventions. In the 2007-2013 period the ESF OP was managed and co-financed at the national level. In the current period, co-financing organisations fund locally defined activities through an open, transparent and competitive grant-giving or procurement process.³ However, interviewees express that despite this the degree of devolution of decision-making influence to the regional level remains limited, in part because there is now no Programme Executive Group (PEG) based in NEE.

For example, the provision of ESF-supported skills training projects was cited as problematic. The current England ESF programme places an emphasis on basic skills training to support baseline employability levels in the workforce. However the necessity for project delivery organisations to deliver basic skills under prescriptive calls can mean that approved projects centred on providing a particular form of training are compelled to deliver outputs which may not be compatible. For example, a skills training project based on more advanced management skills would be constrained by the need to also satisfy basic skills outputs. In such a case, the intended beneficiaries (i.e.

³ <https://www.gov.uk/guidance/england-2014-to-2020-european-social-fund-partner-information>

management professionals) would also quite clearly possess such basic skills, rendering the training less effective.

In relation to the above, the LEPs have limited allocated resource. In NEE, both LEPs operate concurrently alongside and within their respective areas. The limited availability of Technical Assistance, under Priority Axis 9 of the England ERDF OP 2014-2020 and Priority Axis 3 of the England ESF OP 2014-2020 is seen to limit the scope of the activities they can provide, particularly with regard to support over the entirety of project lifetime. There is a need to focus on pre-approval in order to ensure quantity and suitability of applications. Technical Assistance support is oriented towards support up to the point of funding agreement. Ongoing support to beneficiaries after this point is technically the responsibility of the MAs, whose presence and accessibility is perceived as lacking. In short, the current management and implementation structure is seen to have capacity issues.

Additional challenges and problems are as follows:

- The current split between two LEPs covering the NEE region, two national OPs (each with multiple Priority Axes) and two differing areas with regard to ESIF status⁴ means that ESIF spending is seen to be somewhat fragmented. Interviewed stakeholders express that this makes it more organisationally challenging to deliver funds in a joined-up and coordinated manner; in turn this has an influence on the concentration of funding and may impede demonstration of impact.
- The complexity of managing two funds has led to what one interviewee describes as 'a proliferation of guidance'. The need to consolidate differing delivery criteria between ERDF and ESF can be challenging. Confusion can also arise from differences between UK Government ESIF guidance and Commission guidance (for example, the use of 'Grant recipient' vs 'Beneficiary' in parlance).
- The shift from open to competitive calls has been seen to discourage partnership-based approaches in project applications, due to more intense levels of competition for support amongst applicants. This has been compounded by the perceived reduction in regional funding support from domestic sources.
- The UK's 2016 referendum-based decision to leave the EU ('Brexit') has caused uncertainty. This in turn has had an impact on the delivery of the OPs in North East England. Although the funds have been committed and NEE stakeholders have varying opinions as to the severity of Brexit impact, one interviewee expressed that: 'I think a lot of the programme implementation probably slowed down by six to eight months because they were trying to figure out "what does this mean now for the programmes post-Brexit?"'.

Regional stakeholders interviewed also express that there is now a strong focus on and prioritisation of compliance, above other considerations such as spending, performance and publishing achievements. This has been driven by the need to meet anticipated auditing requirements and minimise the risk of clawback. The minimisation of risk in OP delivery has become a strong focus; due in part to EU regulations for the current period, but also as a consequence of the domestic climate of economic austerity and reduced public spending since 2010. In comparison with compliance, spending and performance, the publicising of achievements is seen a relatively minor priority. NEE interviewees are of the general opinion that publicising achievements is of secondary importance to activities that directly facilitate financial commitment.

⁴ Northumberland and Tyne & Wear categorised as a More Developed region, Tees Valley and Durham categorised as a Transition region

The majority of respondents to the stakeholder survey gave a positive assessment of the effectiveness of the use of Cohesion policy funds in North East England, particularly at local level. In total, two thirds of respondents consider that the funds have been used well or very well in their region, and 83.4 percent assess them as well or very well used in their municipality. Only 8 percent of respondents consider them poorly or very poorly used at one of the territorial scales.

Table 4: Stakeholder Survey Q1. How well – in your opinion – have Cohesion policy funds been used in your municipality and region?

| | Very well | Well | Acceptable | Poorly | Very poorly | Don't know |
|-------------------|-----------|-------|------------|--------|-------------|------------|
| Your municipality | 41.7% | 41.7% | 8.3% | 0.0% | 8.3% | 0.0% |
| Your region | 41.7% | 25.0% | 16.7% | 8.3% | 0.0% | 8.3% |

Source: COHESIFY Stakeholder Survey 2017, N=12

Cohesion policy objectives are largely considered to be aligned – strongly or in some way – with the development objectives at both local and regional levels, particularly at the local level (91.6 percent).

Table 5: Stakeholder Survey Q2. To what extent have the Cohesion policy objectives reinforced the development objectives of your municipality and region?

| | Completely | Largely | In some way | Not much | Not at all | Don't know |
|-------------------|------------|---------|-------------|----------|------------|------------|
| Your municipality | 0.0% | 83.3% | 8.3% | 8.3% | 0.0% | 0.0% |
| Your region | 8.3% | 58.3% | 16.7% | 0.0% | 0.0% | 16.7% |

Source: COHESIFY Stakeholder Survey 2017, N=12

Cohesion policy funds are seen as being particularly helpful in reducing (decreasing or somewhat decreasing) the differences in the development level between poorer and richer areas (83.3 percent of respondents) – both within the country and within the region. Two thirds of NEE respondents are however not aware of the impact of ESIF on reducing disparities between the UK and other EU Member states.

Table 6: Stakeholder Survey Q3. To what extent have Cohesion policy funds helped to increase or decrease...

| | Decreased | Somewhat decreased | Had no impact | Somewhat increased | Increased | Don't know |
|--|-----------|--------------------|---------------|--------------------|-----------|------------|
| Differences in the development level between poorer and richer regions in your country | 0.0% | 83.3% | 8.3% | 0.0% | 0.0% | 8.3% |
| Differences in the development level between rural and urban areas in your region | 0.0% | 50.0% | 16.7% | 8.3% | 0.0% | 25.0% |
| Differences in the development level between poorer and richer areas in your region | 8.3% | 75.0% | 0.0% | 0.0% | 0.0% | 16.7% |
| Differences in the development level between your country and other EU Member states | 0.0% | 8.3% | 16.7% | 0.0% | 8.3% | 66.7% |

Source: COHESIFY Stakeholder Survey 2017, N=12

The main problems affecting Cohesion policy implementation are excessive audit and control, difficulties accessing ESIF due to complicated rules for submitting applications and excessive reporting requirements (92 percent each). Lack of co-financing is also seen as a constraint (75 percent). At the same time, cooperation between project partners is assessed largely positively.

Open ended responses to the survey highlighted additional factors affecting implementation including the weakness of local/regional decision-making over programming aspects and projects' selection, as key aspects of the programme (e.g. quantification of outputs) and selection criteria (value for money, alignment with national priorities) are decided centrally at national level rather than by local/regional partnerships.

Table 7: Stakeholder Survey Q5. How significant was the impact of the following problems and challenges during the implementation of Cohesion policy projects?

| | Very significant | Significant | Average | Insignificant | Not at all | Don't know |
|---|------------------|-------------|---------|---------------|------------|------------|
| Scarcity of Cohesion policy funds | 8.3% | 16.7% | 41.7% | 16.7% | 8.3% | 8.3% |
| Problems with obtaining Cohesion policy financing such as complicated rules for submitting applications | 58.3% | 33.3% | 0.0% | 0.0% | 0.0% | 8.3% |
| Excessive, cumbersome reporting | 66.7% | 25.0% | 0.0% | 0.0% | 0.0% | 8.3% |
| Unclear objectives for evaluating project results | 8.3% | 41.7% | 16.7% | 16.7% | 0.0% | 16.7% |
| Poor cooperation between project partners | 0.0% | 16.7% | 16.7% | 33.3% | 25.0% | 8.3% |
| Excessive audit and control during or after the project completion | 75.0% | 16.7% | 0.0% | 0.0% | 0.0% | 8.3% |
| Lack of funds for own contribution (co-financing) | 25.0% | 50.0% | 25.0% | 0.0% | 0.0% | 0.0% |
| Difficult access to credit and/or loans for own contribution | 16.7% | 16.7% | 41.7% | 8.3% | 0.0% | 16.7% |
| Lack of capacity such as qualified staff | 16.7% | 41.7% | 8.3% | 16.7% | 16.7% | 0.0% |

Source: COHESIFY Stakeholder Survey 2017, N=12

Most respondents consider that ESI Funds respond well to the needs of their region or municipality (83.3 percent), generally channelling funding to the right projects. At the same time, almost 60 percent of respondents are not certain whether these projects are those that are most valued by the local residents. In total, nearly 92 percent of NEE respondents agree that many positive changes took place in their municipality or region, which would not have been achieved without ESIF. The views on the adequacy of control over ESIF spending are largely positive (75 percent), and issues such as fraud and corruption are generally not seen as a problem affecting the spending of Cohesion policy funds.

Table 8: Stakeholder Survey Q6. How strongly do you agree/disagree with the following statements:

| | Strongly agree | Agree | Neither agree nor | Disagree | Strongly disagree | Don't know |
|--|----------------|-------|-------------------|----------|-------------------|------------|
|--|----------------|-------|-------------------|----------|-------------------|------------|

| | | | disagree | | | |
|---|-------|-------|----------|-------|-------|-------|
| Cohesion policy funds finance those investment projects which your municipality/region needs the most | 0.0% | 83.3% | 8.3% | 0.0% | 8.3% | 0.0% |
| In your municipality/region Cohesion policy funding goes to investment projects which are most valued by the local residents | 8.3% | 25.0% | 58.3% | 8.3% | 0.0% | 0.0% |
| There are many irregularities in spending Cohesion policy funds due to non-compliance with EU rules | 8.3% | 16.7% | 8.3% | 41.7% | 8.3% | 16.7% |
| Fraud, such as corruption or nepotism, is common in spending Cohesion policy funds | 0.0% | 0.0% | 0.0% | 41.7% | 50.0% | 8.3% |
| There have been many positive changes in your municipality/region thanks to Cohesion policy funds, which would not have been achieved without the funds | 41.7% | 50.0% | 0.0% | 0.0% | 8.3% | 0.0% |
| The spending of Cohesion policy funds is adequately controlled | 0.0% | 75.0% | 16.7% | 0.0% | 0.0% | 8.3% |
| The money from Cohesion policy funds is in most cases wasted on the wrong projects | 0.0% | 8.3% | 0.0% | 41.7% | 41.7% | 8.3% |
| The administration of Cohesion policy has been delivered in an efficient (cost-effective) manner | 0.0% | 33.3% | 16.7% | 25.0% | 8.3% | 16.7% |

Source: COHESIFY Stakeholder Survey 2017, N=12

Two thirds of stakeholder survey respondents agree that the monitoring and evaluation reports provide adequate information on the implementation and performance of the programme. The views on the accessibility and clarity of the monitoring and evaluation reports are more divided, while the main criticism concerns a lack of capitalisation on their results for improving policy-making (half of the respondents).

Table 9: Stakeholder Survey Q8. To what extent do you agree or disagree with the following statements

| | Strongly agree | Agree | Neither agree nor disagree | Disagree | Strongly Disagree | Don't know |
|---|----------------|-------|----------------------------|----------|-------------------|------------|
| The monitoring and evaluation reports provide adequate information on the implementation and performance of the programme/s | 16.7% | 50.0% | 16.7% | 8.3% | 0.0% | 8.3% |
| The monitoring and evaluation reports of the programme/s are easily accessible | 0.0% | 58.3% | 16.7% | 16.7% | 0.0% | 8.3% |
| The monitoring and evaluation reports of the programme/s are easy to understand | 0.0% | 33.3% | 25.0% | 25.0% | 8.3% | 8.3% |
| The monitoring and evaluation report results are used to improve policy-making and implementation | 8.3% | 8.3% | 25.0% | 50.0% | 0.0% | 8.3% |

Source: COHESIFY Stakeholder Survey 2017, N=12

Participation in training and knowledge-exchange sessions varies depending on the topic – the largest share of respondents reported participation in sessions related to evaluation (42 percent), followed by communication (one third of the respondents). Overall, two thirds of respondents reported participation in at least one type of workshop or training sessions in the last two years.

Open ended responses to the survey noted participation in workshops on the open calls (not held by the MA).

Table 10: Stakeholder Survey Q9. In what Cohesion policy workshop or training sessions did the representatives of your organisation/municipality/region participate in the last two years (select all that apply)?

| | Management | Control | Monitoring | Evaluation | Communication | Nobody participated in such events |
|-----|------------|---------|------------|------------|---------------|------------------------------------|
| No | 66.7% | 75.0% | 75.0% | 58.3% | 66.7% | 66.7% |
| Yes | 33.3% | 25.0% | 25.0% | 41.7% | 33.3% | 33.3% |

Source: COHESIFY Stakeholder Survey 2017, N=12

3.2.2 Partnership

The programming of the 2007-13 NEE ERDF OP saw implementation of the partnership principle through widespread consultation. This benefitted from an overlap and complementarity with the consultation undertaken to develop the Regional Economic Strategy, which was completed in 2006. The Government Office North East (GONE) developed the regional ERDF OP using contracted consultants who helped to assemble an evidence base, and performed an *ex ante* evaluation and an environmental assessment. This process was overseen by a steering group consisting of members from central and regional government, as well as regional social partners (Charles *et al.*, 2014). The RDA and regional partners situated the RES as important component in meeting the regional commitment to the Lisbon Agenda.

The consultation process for the NEE ERDF OP was preceded by a structured RES consultation exercise known as Strategic Horizons in the North East (SHiNE); an 'inclusive foresight exercise' led by One Northeast which successfully engaged more than 200 stakeholders from across the region including public bodies in the region, business representatives, higher education, unions, and voluntary sector organisations (*Ibid.*). Leading into the NEE OP, thematic proposals were drafted and put out to consultation with regional partners via structured expert groups.

Although implementation of the partnership principle was considered effective, areas were identified potential for improvement in the programming phase. Interviewees in a 2014 assessment expressed the opinion that the process focussed too much on Tyne and Wear at the expense of Tees Valley and the more rural parts of NEE (*Ibid.*, p.47). It was also felt that some local authorities did not. However there was general buy-in and support for the NEE ERDF OP 2007-13 at its inception.

Subsequent to the programming phase, the implementation of the ERDF NEE OP saw a two-tier management structure that incorporated an active contribution from regional partners. As outlined previously in this report, the MA was formally situated at national level albeit with a regional presence via GONE. The two platforms through which regional partnership was the most effectively implemented were 1) the Programme Monitoring Committee (PMC) and 2) the Programme Executive Group (PEG).

Partnership working was evaluated positively in the Mid Term Evaluation of the North East OP (Regeneris, 2011). Consultations with partners suggested that the size and composition of the two programme committees was suitable; the representation from local actors, universities and the private sector worked well; and there would good information flows. While local authority involvement in implementation was lower than in 2000-06 programme, given the stronger focus on larger strategic projects and prioritisation of regional-level match funding, engagement with

partners by the ERDF secretariat was assessed as better and more transparent than the previous period.

Partnership between ESIF actors and regional partners was also built upon through the priorities and projects delivered. For example, the 'Innovation Connectors' – capital-intensive projects aimed at strengthening business capacity in science, technology and innovation – were assessed positively:

'[The Innovation Connectors] have an important partnership function and are expected to support knowledge transfer into SMEs, build connections with universities and undertake wider outreach work into local communities, since many are located in and around deprived areas of the region.'

Regeneris (2011) North East ERDF OP 2007-13: Mid-Term Evaluation, p.54

The transition from the RDA to LEPs at the regional level from 2011 onwards had implications for partnership in the latter half of the 2007-12 period. The drawing down of the regional Programme Executive Group meant that the regional PMC, which was reorganised as the Local Monitoring Committee, became the main platform for partnership engagement in terms of direct involvement of regional partners in OP delivery. The MTE noted that the (then) proposed change from PMC to LMC did not make it fully clear that strategic oversight and guidance could be achieved.

The closure of the RDA in 2012 saw the North East and Tees Valley LEPs take on the role of strategic oversight led by regional partners in the latter part of the 2007-13 period. The 2014 AIR continued to review partnership arrangements positively in the final years of the 2007-13 period, noting that partnership remained robust and transparent (AIR 2014, p.3).

There is limited evaluation evidence on the operation of partnership in 2014-20. A partnership review was undertaken by DCLG and published in final version in September 2016, but its focus was on the overall arrangements in England, with limited information on specific regions. An area of partnership working in the North East that was highlighted as being successful concerns the NEE ESIF subcommittee's proactive use of specialist advice, specifically LEP expertise on 'growth hubs' (public-private partnerships providing business support) which enables greater coordination with non-ESIF funded LEP programmes.

The permanent Practitioners' Network, which was built up in the North East in 2007-13, is now incorporated within the England-wide ERDF OP and acts as a mechanism for partner engagement, e.g. through network bulletins. Interviewee evidence suggests that discursive partnership in the current period is very reliant on membership of the NE LEP and Tees Valley LEP ESIF subcommittees. Partnership is also achieved through local partner engagement in the LEP thematic Advisory Boards, and through local informal subgroups established by the LEPs to help inform the development of project calls.

The main points that emerged from the interview research on partnership were threefold. First, the partnership principle is a key source of added value historically and a wide range of actors have been involved in formal Cohesion policy monitoring and management structures as well as in other regional development fora and structures in the region that feed into Cohesion policy implementation. Second, the territorial representation of actors and interests is diminished by the new centralised management structure and England-wide OP given the loss of regional-level decision-making autonomy. As one interviewee noted:

'Local partners who really know the area don't have the capability to make decisions – they can only advise... I think there's less autonomy locally now. There [are] a lot of requirements to actually deliver local outputs and the right activities locally but then you're getting driven by national requirements to meet national targets.'

Third, as previously noted, there is a strong skew towards public sector actors in monitoring committees, which can detract and reduce the role and influence of other non-public sector actors (e.g. private or third sector organisations). Related, dissemination of information to private sector actors by the MA could be significantly improved and enhanced. Finally, there are variations in the level and opportunity for debate in the two different monitoring committees in the region (Tees Valley and North East), partly reflecting institutional cultures and the individuals represented.

The stakeholder survey responses viewed partnership positively. Two thirds of respondents believe that the programme partnership operates in an inclusive, open and fair manner and that it facilitates partners' shared understanding and commitment. Further, over half of the respondents disagreed with the statement that partners are only interested in promoting their own organisational and financial interests, implying a sense of collective responsibility and strategic purpose.

Table 11: Stakeholder Survey Q7. The partnership principle requires the participation of a wide range of partners throughout the different stages of programming and implementation through consultations, monitoring committee work and other mechanisms. How strongly do you agree or disagree with the following statements about the operation of the partnership principle in practice?

| | Strongly agree | Agree | Neither agree nor disagree | Disagree | Strongly disagree | Don't know |
|---|----------------|-------|----------------------------|----------|-------------------|------------|
| The way the programme partnership operates is inclusive, open and fair | 16.7% | 50.0% | 8.3% | 16.7% | 8.3% | 0.0% |
| The operation of the programme's partnership principle facilitates a shared understanding and shared commitment by partners to achieving the programme's objectives | 16.7% | 50.0% | 16.7% | 16.7% | 0.0% | 0.0% |
| Partners are only interested in promoting their own organisational and financial interests | 8.3% | 16.7% | 16.7% | 50.0% | 8.3% | 0.0% |

Source: COHESIFY Stakeholder Survey 2017, N=12

3.3 Added value

The limited research on the added value of the Structural funds in 2007-13 and beyond in NE England emphasises four key dimensions of European added value. First, the strategic added value provided by Cohesion policy has been important in the North East England historically, particularly in the first three programming periods between 1989-2006 (Charles and Michie 2013). The sophistication of strategies evolved over time and encouraged an integrated and territorial approach to economic development. In parallel and closely related, Cohesion policy has brought significant 'administrative' added value in terms of learning how to monitor and evaluate regional programmes.

With the institutionalisation of the regional development agencies and regional economic strategies, from 2007 the ERDF became essentially a supplement to the much larger domestic NE Single Programme and was closely integrated. The abolition of RDAs and Single Programme in 2010 removed this linkage, and strategic added value has been lost given the more localised economic development agenda pursued and more centralised management arrangements.

A third dimension is financial added value. The availability of JEREMIE funding has demonstrated significant added value in terms of developing access to finance and leverage (Charles and Michie 2013; Regeneris 2011). This fund, along with ERDF-supported funds in previous programme periods, has supported many businesses seeking finance in a difficult economic external environment where it is currently difficult to raise SME finance - and encouraged new private sector and angel funding to come into the region, helping to build an investment infrastructure in the region, and developing the regional skills base. An example is the securing of the participation of the IP Group, a leading UK intellectual property commercialisation company to Manage the North East technology Fund, representing the group's first arrangement in the region (Charles and Michie 2013). In addition, the support provided to 'Innovation Connectors' (research centres) has the potential to assist the North East in leveraging funding investment from major national funding streams (Regeneris 2013).

Finally, multilevel governance and democratic added value has been a key feature of ESIF benefits in North East England across several programme periods. A wider range of partners were involved in management and project delivery over time, and the programmes 'became the main forum at which people came together to talk about regional development at a strategic level' (Charles and Michie 2013).

The interview research supported some of the findings of the above studies, particularly in terms of the added value of financial instruments given the more limited activity from private investors compared to some other English regions:

'So in FIs we are considered to have been particularly successful. Have improved the finance ecosystem in the sense that we have brought new entrants to the market in NE and derisked significant amounts of private investment'.

It was also noted by another interviewee that the 2016 EU membership referendum vote to leave the EU and the 2017 UK general election introduced a greater degree of investor uncertainty with regard to equity investment in particular. This uncertainty has extended to the role of EIB in providing FI support in the region.

Another interviewee commented that the added value of the funds was unclear because of the difficulty in establishing a counterfactual scenario of how development would have progressed with funding support. Yet, the perceived legacy of ESIF delivery in NEE is the creation and stimulus of a community of beneficiaries in a region that is seen by many interviewees as neglected by UK central government with regard to public expenditure. As one interviewee put it, 'there's almost an industry built on the back of European funding.' The ESIF funds are seen as especially significant in the current funding period because domestic funding opportunities have been reduced. However, it was also noted that private sector applicants do not necessarily have particular loyalty or emotional connection to ESIF businesses: 'I don't think they care where [funding] comes from. They just want the business support.'

4. Cohesion policy communication

4.1 Approach to communication

This section reviews the approach to ESIF communication in the 2007-13 and 2014-20 periods, drawing on the 2007-2013 and 2014-2020 communications plans for the NEE and England OPs, programme implementation reports as well as evaluations and additional documentary sources.

During the 2007-2013 period, NEE had a single regional communications strategy which was devised and implemented at the regional level by One NorthEast. The current period, with its shift to a larger scale OP structure and two central government departments as MAs, has seen a combined nationwide communications strategy for both ERDF and ESF. The LEPs, of which there are currently 38 across England, will bear significant responsibility for communications and publicity at the local level.

The NEE ERDF OP 2007-13 document noted that 'Visibility of the distinctive contribution made by ERDF support will be ensured through publicity actions covering all requirements, including project documentation, press releases and permanent plaques' (p.82).

The 2017-2013 NEE Communications Strategy for the regional OP defined the following objectives:

1. Provide comprehensive and clear guidance to all sponsors and wider audiences on:
 - eligibility criteria, application procedures, timescales and key contacts
 - publicity requirements relating to individual projects.
2. Seek to secure the widest possible media coverage, with the managing authority to organise:
 - the OP launch
 - a major annual information activity presenting achievements/projects
 - the flight of the European flag for one week starting on 9 May each year in front of the managing authority premises
 - publication of project beneficiaries and funding allocations.

The specific measures with regard to information and publicity requirements were to:

- Make Commission activities more visible to European citizens and demonstrate transparency and added value of community actions and spending.
- Show clear division between managing authority's and beneficiary's responsibilities.
- Ensure potential beneficiaries understand eligibility and selection criteria for projects, timescales and key contacts for programme information.
- Ensure every member of staff, the wider partnership and project beneficiaries understand European Commission requirements on monitoring and publicity.
- Fully publicise the European funding programme by providing press releases and case studies of ERDF funded projects to the regional media.
- Promote the benefits of European funding to the North East and provide accurate, up to date and timely information in response to journalists' queries.
- Monitor adherence to publicity requirements and keep the European Commission informed.

The plan identified three broad communication target groups as follows:

- European Partnership: ERDF Project Management Board, ERDF Project Management Committee, Government Office, Sub regional organisations, Sponsor organisations, Central Government, The European Commission, Co-funding organisations & existing partners, NEEO Brussels.
- Regional stakeholders: Project beneficiaries/potential applicants, Local authorities, Local/national media, General public, Trade & industry organisations, Statutory organisations, Non-governmental organisations/agencies, Businesses, Educational

institutions, Voluntary & community organisations, Project operators & promoters, Programme managers.

- Internal: ERDF secretariat, Agency directors, Agency staff, Agency board members.

Communication details for individual organisations, including potential beneficiaries, were held on a central database owned and managed by the RDA One NorthEast. To support these goals, the implementation of information and publicity measures was structured into objectives and actions for each target audience; Objectives (in actuality, describing different types of media/mechanisms for communication), Actions, and Target Audience. The 'Objectives' covered a mix of activities, aspirations and media:

- Branding
- Website
- Publications
- Materials
- Media liaison
- Events
- Public affairs (i.e. communication and maintaining contacts with local government, MPs and MEPs)
- Internal communications

Finally, the above plan was underpinned by 11 stated key messages centred upon conveying positive information emphasising the benefits of the Structural Funds, including the EU financial contribution and the benefit to the regional economy, specific intervention areas such as support for RTDI, and more general added value benefits such as partnership working.

The 2014-2020 period has seen a shift away from the previous 10 regional ERDF OPs, to a single England-wide ERDF OP covering all regions. The England ERDF OP 2014-2020 document states that 'Activities such as information and communication will be managed across all types of region rather than segmented and evaluation will be undertaken at an England level' (p.187). In 2014-20, ESIF funding is indicatively allocated to the level of 39 Local Enterprise Partnerships, which advise the MAs on local development and spending priorities.

At the national level, the 2014 to 2020 England European Regional Development Fund and European Social Fund Communications Strategy governs activities in NEE. Its stated aims are threefold:

- promote the benefits of the EU's regional funds in adding value to the delivery of the UK Government's shared goals for creating a more competitive, thriving and sustainable economy and a fairer and more inclusive society;
- raise awareness and understanding of the EU funding opportunities available, with clear information and guidance on the benefits and obligations of participation;
- be transparent about the delivery and progress of EU funds, and disseminate and celebrate best practice.

The main objectives of the strategy and communication activities to be delivered are to:

- raise awareness of the role played by the funds and how they contribute to local growth in England throughout the lifecycle of the ERDF and ESF programmes

- provide accurate and clear information to publicise to potential applicants of the funding opportunities provided by the ERDF and ESF programmes and give details regarding accessing and obtaining funding ensuring transparency at all levels
- provide a clear description and consistent positive messages to all partners on the impact that the ERDF and ESF programmes are having
- continually improve information and publicity measures through effective analysis and evaluation of outputs, data and customer feedback, and instigating changes as necessary
- ensure the information and publicity requirements of European Union regulations are met

In comparison with the seven specific measures laid out in the 2017-2013 NEE Communications Strategy, these five objectives are broader in scope and place a greater emphasis on the conveyance of a positive image of the ESI Funds. In other words, the priorities at the OP level have shifted away from an informative stance and towards more of a promotional stance. The use of the main results of the previous ERDF (and ESF) OPs in England is quite an important part of the communications approach.

Another development is the stated emphasis on a 'snowball' approach to communication and the dissemination of information: 'the appropriate audience(s) will be targeted, many of which in turn will further disseminate the message to help ensure the right audiences at the right level are communicated with' (p.7).

The England ESIF Communications Strategy for 2014-2020 also determines key messages to be delivered; five for the ERDF and seven for the ESF. These range from information about the thematic areas supported, to a general statement stressing that ERDF/ESF are important elements of the Government's drive to create local economic growth.

Table 12: Target groups are also defined across four categories, on the basis of spatial context:

| Category | Audiences |
|----------|--|
| European | European Commission; Representation of EC to the UK; other EU institutions |
| England | Programme Monitoring Committee (including EC rep); sub committees / group (including EC rep); sub regional organisations (including EC rep); other government departments; providers and professionals involved in employment, education, skills and inclusion; government policy makers; media/opinion formers; opt-in organisations; equal opportunities, disability and environmental organisations |
| Local | General public; project beneficiaries; potential applicants; Local Enterprise Partnership area sub-committee members; local authorities; media (print, radio and social media); trade and industry organisations; businesses; educational and research institutions; voluntary and community organisations (including LEADER Local Action Groups); other rural partners |
| Internal | Managing Authorities in England and across the UK. |

This categorisation is consistent with the NEE targeted groups and individual stakeholders in the preceding funding period, with the obvious addition of a national (i.e. England-level) category for the new England OPs. The changes that have taken place reflect changes in institutional architecture rather than a shift in focus towards different types of target group. It is of note that media/opinion formers at the national level, and 'media' contacts at the local level are specifically targeted in the 2014-2020 period. Interviewee evidence suggests that, in NEE at least, the MA and LEP approach towards managing communication has now shifted towards a more strategic stance that facilitates pre-approval through the targeting of beneficiaries.

Although some LEPs in England have developed their own communication plans, this is not a statutory requirement. The North East LEP and the Tees Valley LEP do not have publicly available communications plans; therefore it is not possible to discern the NEE approach in detail on the basis of available documentation. However the North East LEP ESIF Strategy document does include a commitment to partnership working.

In a similar manner to One NorthEast in 2007-2013, the 2014-2020 plan lays out a structured communication and publicity activities plan. There are obvious similarities with the previous funding period in NEE; the implementation of a variety of mixed media: bulletins and updates, report, and press notices. A focus on launch-related activities, and the provision of list of beneficiaries, are two features that have been retained. However there are three main changes.

First, a reduced emphasis on printed material. The emphasis now is on digital publications, reports and updates, which are more cost-efficient. In NEE the GOV.UK, North East LEP and Tees Valley LEP websites have replaced that of One NorthEast. The fact that the current plan applies nationwide is also possibly a factor in the lack of emphasis on print (i.e. the larger scale makes print media less affordable, though individual LEPs remain free to use it). The DCLG National Publicity Requirements document still includes a section on print and publications, focussing in particular on design consistencies and the use of ERDF branding.⁵

Second, the emergence of social media means that sites like Twitter and YouTube, readily accessible via mobile devices and tablets, have received much greater emphasis. DCLG has a Twitter account at @CommunitiesUK; both NEE LEPs have accounts. Consideration is given to accessibility in social and online media, e.g. for partially sighted individuals.

Third, there has been some reorientation away from the traditional press as a consequence of the above. Traditional media and newspapers are not emphatically mentioned, except in the context of visits by ministerial and senior government officials. Unlike NEE in 2007-2013, there is no media coverage target. Instead, the emphasis is more on direct channels of communication such as social media (over which the UK ESIF authorities have direct control of content).

A LEP communications network has also been established (<http://www.lepnetwork.net>), mirroring the pan-RDA network in 2007-2013. Both NEE LEPs are members. It is self-described as 'a gateway to news and information that enables LEPs to come together on areas of shared importance, engage with Government and stakeholders, and promote best practice across the Network.'⁶ Therefore it is primarily a means of management support and information to LEP members, rather than a mechanism to engage with beneficiaries and other partners.

An important recent development in NEE (as part of the UK) was the 2016 EU membership referendum, which resulted in the decision for the UK to leave the EU. NEE voted 58% in favour of leaving the EU. As of late 2017 it remains unclear as to the effect this will have on communication and publicity in the latter years of the 2014-2020 period.

⁵ DCLG (2013) National Publicity Requirements, Version Number 3, 22nd January 2013

⁶ <http://www.lepnetwork.net/about-us/>

| Communication strategies/plans | | | | | |
|--|--|---|--|---|--|
| 2007-2013 | | | 2014-2020 | | |
| Main objectives | Measures | Target groups | Main objectives | Measures | Target groups |
| <i>Branding</i> Ensure that all publications produced are professional and recognisable by the branding. | Develop a 'house style' for the programme (incorporating the existing North East England branding and EU flag/ emblem) for use across all publicity materials the organisation produces. Develop guidelines for use of branding on supported projects and their associated PR. Produce materials for programme identity including stationery, presentation templates, slides, paragraphs. | All partners, public and potential beneficiaries. | Partner and staff awareness, improved level and quality of responses to calls etc. | Announce and publicise start of programme | External partners, internal MA staff and other Government bodies, general public, EC |
| <i>Website</i> Make all ERDF information widely available to all audiences and encourage use of electronic communication. | Maintain dedicated ERDF pages and on agency intranet, with explanatory text, up to date guidance and applications documentation. Maintain appropriate links with GO-NE/Partners in Europe websites. Upload all press releases and project success stories to website and maintain electronic archive of project success stories and associated photography. Maintain published list of ERDF programme beneficiaries | All partners, public and potential beneficiaries. | Partners, potential applicants and general public alerted to fact that programme is 'open for business', local partners engage in local activities, increased level of response to project calls. Increased number of followers on social media channels. Media coverage gained on the Programme to raise the profile and awareness | ERDF Programme Launch / Major Annual Information Activity ESF Programme Launch / Major Annual Information Activity | External partners, internal MA staff and other Government bodies, general public, EC |
| <i>Publications</i> Increase public understanding and inform potential applicants of | Produce and update high quality brochures including: <ul style="list-style-type: none"> ERDF programme & eligibility criteria explained | All partners, public and potential | Increased awareness of programmes, enhanced access to key programme documents and | GOV.UK - Develop and maintain an accessible and informative web portal for the | External partners, internal MA staff and other Government bodies, general public, EC |

| | | | | | |
|---|--|---|---|--|---|
| <p>ERDF availability. Ensure monitoring and publicity requirements are clear and easy to implement for each individual project. Annual Report production Increase understanding of specific issues amongst project operators, promote best practice. Ensure project operators have up-to-date information about programme delivery.</p> | <ul style="list-style-type: none"> • Project publicity requirements • Annual report summary • e-newsletter • media supplements/advertorials <p>Design, printing and distribution.</p> | beneficiaries. | <p>information.</p> <p>Increased number of hits and visits to ESI Funds website pages</p> | programmes | |
| <p><i>Materials</i> Enable strong ERDF recognition and presence in the region.</p> <p>Applicant awareness - ensure all potential ERDF applications have the information and guidance required to develop in a timely manner.</p> | <p>Purchase European display stands. Purchase promotional publications and merchandise. Provide and/or direct beneficiaries to suppliers of promotional plaques, posters and billboards. Purchase ad hoc advertising. Website to include all relevant content.</p> <p>Co-ordinated series of contact visits and meetings with identified partners. Detailed guidance notes produced.</p> | <p>All partners, public and potential beneficiaries.</p> <p>Potential ERDF applicants</p> | <p>Increased awareness of programmes news, higher levels of timely engagement with programmes. Increase in the number of people subscribing to receive the Bulletin</p> | <p>Programme Bulletin - Electronic direct updates distributed through various channels</p> | <p>External partners, internal MA staff and other Government bodies, general public, EC</p> |
| <p><i>Media liaison</i> Inform partners and public about the new programme.</p> | <p>Distribute regular press releases, with 'boilerplate' ERDF promotional paragraphs, to local media on all projects supported. Commission photography for press</p> | <p>All partners, beneficiaries, media and public.</p> | <p>Audience are kept informed of latest programme news, particularly around significant landmarks in</p> | <p>Media Activities – Press notices Social media channels – updates and news shared through Twitter, YouTube</p> | <p>External partners, internal MA staff and other Government bodies, general public, EC (including UK</p> |

| | | | | | |
|---|--|--|---|---|--|
| <p>Ensure extensive media coverage of key events and projects to raise awareness of the benefit of ERDF to the region. Develop close working relationship with the media channels and journalists in the region, nationally and internationally to raise the programme's profile.</p> | <p>release & website material</p> <p>Distribute press releases to announce commissioning framework and elicit project proposals.</p> <p>Distribute press releases to announce progress against spend and output targets at each year end or at significant milestones, including funding totals and number of projects supported.</p> <p>Co-ordinate publicity across the partnership to ensure consistency of message and best practice.</p> <p>Arrange media visits to celebrate key events such as the launch of the programme.</p> | | <p>the programme (e.g. first projects contracted, significant projects contracted, ministerial visits) or general updates (new calls available online, deadlines approaching etc.).</p> <p>Coverage gained in appropriate media titles.</p> | | <p>communications rep)</p> |
| <p><i>Events</i></p> <p>Raise the profile of the new programme. Communicate purposes and systems of the new programme. Bring together the whole partnership to network and showcase key projects and information.</p> | <p>Launch event for ERDF operational programme.</p> <p>Dissemination events, other seminars and workshops.</p> <p>Annual partnership events.</p> | <p>All partners, public and potential beneficiaries.</p> | <p>Transparency around who has been funded through the programmes, how much funding has been received and for what</p> | <p>List of beneficiaries – displayed on GOV.UK in an interactive / fully searchable format, updated at least every 6 months</p> | <p>External partners, internal MA staff and other Government bodies, relevant external bodies, general public, EC</p> |
| <p><i>Public affairs</i></p> <p>Communicate ERDF programme objectives and progress to key local government contacts.</p> | <p>Include MPs and MEPs in distribution of ERDF newsletter and publicity material showcasing constituency project successes.</p> | <p>Local Government, MPs and MEPs.</p> | <p>EU reporting requirements met, members of committees / EC are aware of the implementation of the Communications Strategy and Activity Plan</p> | <p>Reports and papers, including progress reports on communications activities, committee updates and publicity content and data for the Annual Implementation Report</p> | <p>Programme Monitoring Committee members, ESI Funds sub-committee members, European Commission, networks of practitioners</p> |

| | | | | | |
|--|---|--|--|--|--|
| <i>Internal communications</i> Ensure partners in Government Office, local authorities and sub regional partnerships understand new ERDF programme operation. | Distribute regular e-bulletins/information to staff on ERDF progress to ensure promotion of programme progress to wider public. | All partners, beneficiaries and project operators. | | | |
|--|---|--|--|--|--|

Monitoring and evaluation

The NEE ERDF OP 2007-13 communication plan set out a range of discrete output metrics (see table 'Monitoring indicators...'). They were not Cohesion policy output indicators in the strict sense, i.e. as required by the regulations. It did not specify discrete result and impact indicators. Further to this, an additional 10 'minimum baseline outputs' were outlined. Similarly to the bullet-pointed metrics above, these were performance and activity targets rather than indicators assessing the effectiveness of information activities. These 16 outputs formed the central basis for the 2010 AIR review.

One NorthEast was primarily responsible for OP communications monitoring and evaluation. The communication plan specified three main mechanisms for evaluation:

1. Annual communications plan evaluation reports to the Programme Monitoring Committee and Programme Executive Group.
2. The Annual Implementation Reports (AIRs), particularly the 2010 AIR which would include information on communications performance.
3. A Mid-Term Evaluation (MTE). This was published in 2011 by Regeneris, an external private sector consultancy.

The NEE ERDF OP 2007-2013 AIRs indicate that a communications update was standard in PMC meetings. Further, each AIR included a section on publicity and information. However, interview evidence suggests that relatively limited attention is given to communication actions in the monitoring committee deliberations.

Unlike in the NEE ERDF 2007-2013 OP Communications, specific communications and publicity metrics are not laid out the current England plan. General indicators are referred to such as social media hits. The Communications Annual Activity Plan for 2015, which is appended to the plan, also include a limited number of quantified targets:

- Gov.uk website page views: 10,000 per month
- Programme bulletin distribution: 2,000 recipients
- ERDF Practitioner network bulletins: 2,000 recipients

The Activity Plan was updated in 2016 and most recently in 2017. In it, target metrics and some specific activities are updated, with the main changes as follows:

- The Gov.uk website page views target is tripled, from 120,000 in 2015 to 360,000 in 2017.
- A target set out in the original 2015 activity plan – to deliver an annual implementation report to the PMC – has not been carried forward into the 2017 plan.
- The 2017 plan introduces a new activity area: Communication channels to engage with ESF funding recipients.

In summary, the 2015 and 2017 activity plans are mostly the same in terms of the structure and focus of communications activities. No significant changes have been implemented.

Ongoing progress in delivering the communications plan across all English regions will be reported in the MA Annual Activity Plans. Ongoing monitoring and evaluation measures are laid out in the Communications Annual Activity Plan for 2015. They include:

- Analytics from GOV.UK detailing page views
- Ex post online surveys, to assess the success of the ERDF and ESF Programme launch activities

- An Annual Stakeholder Survey
- Assessment of media coverage received
- Annual AIR updates

In the regional context of NEE, it is difficult to draw direct comparisons between the previous and current funding periods. The monitoring and evaluation activities outlined above are drawn from a national level document, controlled at a more centralised level. Although the North East LEP and Tees Valley LEP ESI Fund Sub-Committees will be involved in implementing these activities, no online documentary information is available.⁷

Table 13: Monitoring indicators in the Communication strategies/plans 2007-2013

| Output indicators | Result indicators | Impact indicators |
|--|-------------------|-------------------|
| Publicity & information enquiries via e-mail & telephone (projected 2,500) | - | - |
| Press releases & presentations (including standard paragraphs on EU support) (350) | - | - |
| Published documents (46) | - | - |
| Webpages and 'hits' (projected minimum 96,000) | - | - |
| Media coverage (80% positive/factual) | - | - |
| Information events for partners (40) | - | - |
| <i>Monitoring indicators in the Communication strategies/plans 2014-2020</i> | | |
| Output indicators | Result indicators | Impact indicators |
| Gov.uk website page views: 120,000 per annum (increased to 360,000 in 2017) | - | - |
| Programme bulletin distribution: 2,000 recipients | - | - |
| ERDF Practitioner network bulletins: 2,000 recipients | - | - |

Communication Budget

Information and communication activities were supported in part through Priority Axis 3: Technical Assistance ('publicity, marketing and communications for the ERDF Programme'). The publicity and information budgetary ceiling was set at €2.08 million (£1.4m).⁸ The anticipated total budget for 2007-2015, including evaluation of communication and publicity efforts, was €1.45 million (£940,000). A substantial amount of this budget was allocated to staff costs; €52,122 per annum as a baseline. Costs were front-loaded, with additional amounts allocated to project launch activities in year 1; marketing stands, a Programme guide and publicity brochures. See Table for data.

Table 14: Indicative budget for the NEE ERDF OP 2007-2013 Communications Strategy

| | Per year | Total 2007-15 |
|--|--|---------------|
| Staffing | £35,000 (Rising by £1,000 per annum/75% Apr - Dec 2015) | £341,000 |
| Programme launch | Year 1 only | £15,000 |
| Marketing stands | Year 1 only | £5,000 |
| Guide to programme & publicity brochures | Year 1 only | £10,000 |
| Staff expenses | £2,000 | £18,000 |
| Publications | £5,000 | £45,000 |
| Annual partnership events | £20,000 | £180,000 |
| Annual reports & summaries | £15,000 | £135,000 |
| Media engagement & supplements | £10,000 | £90,000 |

⁷ The latest ESI Funds Sub-Committee minutes from the NEE LEPs include no reference to communication

⁸ Based on the ECB exchange rate of 29 December 2006, i.e. 1 EUR = 0.6715 GBP

| | | |
|----------------------------------|---------|-----------------|
| Photography | £10,000 | £90,000 |
| Promotional merchandise | £1,000 | £9,000 |
| Ad hoc advertising | £2,000 | £18,000 |
| Evaluation | £2,000 | £18,000 |
| ESTIMATED PROGRAMME TOTAL | | £974,000 |

For 2014-2020, budgetary information is not provided in the England European Regional Development Fund and European Social Fund Communications Strategy. Neither of the two NEE LEP ESIF Strategy documents provide budgetary information on Technical Assistance expenditure to support communication. Therefore, it is not possible to compare the 2007-2013 and 2014-2020 communication budgets in NEE using documentary sources. Interview evidence indicates that because the LEPs have a more limited financial resource than did the RDAs, the budgetary climate in 2014-2020 has shifted somewhat. ESI-funding in NEE is now more focussed on the provision of financial instruments as opposed to grants, with a strong focus on leveraging private investment. Publicising OP achievements remains important, but in NEE it has customarily been more visible where grant beneficiaries – as opposed to FI beneficiaries – have received support.

Table 15: Budget for communication activities

| <i>Total allocation</i> | <i>Spatial area</i> | <i>Unit</i> |
|--------------------------------|----------------------------|----------------------|
| Allocation [2007-2013] | North East England | EUR 1.45m |
| Allocation [2014-2020] | North East England | <i>Not available</i> |

Governance

The ERDF OP governance situation in NEE was unusual owing to a major restructuring of organisational responsibilities in the latter years of the 2007-2013 period due to domestic institutional changes. The One NorthEast Regional Development Agency (RDA) was responsible for key communication and publicity responsibilities. Within the RDA, the PMC, which engaged in regular monitoring of progress in communications delivery, had strategic responsibility for ensuring targets were met. There was also a Programme Executive Group (PEG) which had an operational management role.

The PMC was initially chaired by a representative of Government Office North East (DCLG's regional office). A pan-RDA support group was also established to facilitate the exchange of information between the regions, although NEE documents do not refer to this.

The Government Office North East was subsequently closed in March 2011. Accordingly, the PMC was reconstituted as the Local Management Committee (LMC), chaired by a senior DCLG (MA) representative. Communications Strategy monitoring responsibility was accordingly shifted to the LMC.

The North East LEP and the Tees Valley LEP became operational in 2011. On 1 July 2011 responsibility for day to day administration and management of the nine ERDF Operational Programmes outside London transferred from RDAs to DCLG. This entailed a transition programme, which saw high-level oversight for the Communications Strategy transferred to a more centralised governance arrangement. However, the actual physical location of personnel and offices remained in NEE.

As a result of these governance changes, the NEE OP Communication Strategy was revised and updated in 2012. The updated document had relatively minor changes, most of which concerned

the reassigned organisational responsibilities; the overall structure of communication activities was not greatly affected. The following changes were made:

- The original plan made the commitment to an annual major publication of programme successes (in Q3 of each year). This commitment was removed, although the published list of beneficiaries, projects and funding allocation amounts was retained.
- The commitment to media supplements and advertorials was discontinued.
- The emphasis on printing publications was shifted to e-distribution.
- Commissioned photography for press releases and website material was dropped. The original target of 350 photography shoots was removed.
- The role of the MA in auditing publicity compliance was relaxed slightly; the commitment to an MA-produced publicity checklist for use in monitoring visits was discontinued.
- The target number of press releases/case studies to publicise beneficiary projects was reduced from 350 to 150.
- The target of an 80% rate of positive/factual media coverage was removed.

The AIRs for the 2007-2013 period were substantially focused on implementation issues, financial delivery and outputs, but each (including 2014) also included a section reporting progress on information and publicity. The narrative conveyed is one of success in delivering the 2017-2013 NEE Communications Strategy. For example, the 2008 AIR reported that good progress was made in delivering the outputs and milestones set out in the Communications Strategy. The 2011 report – the first AIR published by DCLG for NEE – stated that publicity activity 'remained relatively high credited to an effective range of existing communications outlets' (p.84). The assessment of programme management systems and processes in the mid-term evaluation (March 2011) indicated that the programme has been administered efficiently and effectively. Governance in particular was considered to be open and transparent and partnership strong.

These metrics addressed the delivery of communications from RDA and DCLG, disseminated in a top-down manner via formal media such as press releases, i.e. one-way forms of communication. The 2007-13 NEE OP was also quite effective in terms of mobilising partners to actively engage with the funds, often in a discursive manner, i.e. two-way forms of communication. The Programme Management Committee, and later the Local Management Committee, were responsible for leading on these activities. The PMC and (from July 2011) the LMC were themselves made up of local partners representative of a range of sectors. A local elected councillor was appointed deputy chair of the new LMC, to increase accountability. The 2011 AIR noted that: 'Significant Partner engagement through the revised governance structures enhanced through the increased frequency of both LMC and PEG meetings. Over the course of 2011 the PMC/LMC met four times and the PEG twelve times', NEE ERDF OP 2007-13, AIR 2011, p.5.

Discursive engagement was generally achieved through events. For example, from 2009 onwards One Northeast (and later DCLG) organised annual ERDF events. They were first billed as an 'ERDF week' (2009-10), then as an 'ERDF month' in 2011, then as an 'ERDF Stakeholder Event' from 2012-14. Each event sought to bring regional partners and stakeholders together. Based on an assessment of numbers attending, these events were more effective in engaging partners during the first half of the period.

- Based on available evidence, it also seems that the partners targeted in the 2007-13 period were primarily the (intended) beneficiaries of the funds, such as businesses seeking grant support. It is less clear that the OP was successful in mobilising civil society (the public) in a broader sense to engage with the funds in a discursive manner.

In the 2014-2020 period, the Managing Authorities for the funds, the Department for Communities and Local Government (DCLG) for ERDF and the Department for Work and Pensions (DWP) for ESF are responsible for the production and implementation of the Communications Strategy. Within the DCLG and the Department for Work and Pensions (the MA for the England ESF OP), names individuals are tasked with responsibility for ESIF communications. The PMC, known as the Growth Programme Board (GPB), oversees OP monitoring. It is supported by nine thematic sub-committees, one of which focussed on Communications. Its function is to 'advise the GPB on ERDF and ESF communications related issues and activity.'

The England Communications Strategy specifies that 'Managing Authorities will take a national approach promoting at programme level whilst also supporting LEPs and local partners in delivering more local communications with the appropriate audience(s)' (p.7).

At LEP level, the ESIF Programme is governed by a local Sub-Committee made up of representatives from a variety of organisations. Despite the prominent role of the two NEE LEPs in presenting ESIF calls to beneficiaries, the Terms of Reference governing the function of LEP area ESI Fund Sub-Committees does not allocate explicit communications responsibility. In practice however there is no doubt that the NEE LEPs play a significant role in delivering ESIF-focussed communications and publicity in NEE. The North East LEP and the Tees Valley LEP do not have publicly available communications plans.

Table 16: Governance framework for Communication

| 2007-2013 | 2014-2020 |
|---|---|
| <i>Communication networks</i> | <i>Communication networks</i> |
| One Northeast-led partnership | LEP local partner networks (informal role) |
| LEP partner networks (informal role) | England communication network |
| <i>Bodies responsible for implementation of the measures</i> | <i>Bodies responsible for implementation of the measures</i> |
| Managing Authority: Department for Communities and Local Government (DCLG) – ERDF | Managing Authority: Department for Communities and Local Government (DCLG) – ERDF |
| Department for Work and Pensions (DWP) – ESF | Department for Work and Pensions (DWP) – ESF |
| One Northeast Regional Development Agency (RDA) <ul style="list-style-type: none"> Within One Northeast, the Programme Management Committee (PMC) responsible for monitoring oversight | Local Enterprise Partnerships in NEE: <ul style="list-style-type: none"> North East LEP Tees Valley LEP |

Less information is available for the 2014-2020 period. ESIF partnership in the region is strongly centred on membership of the LEP ESIF subcommittees. The subcommittees in turn also have informal links to LEP structures; for example some ESIF subcommittee members in the NE LEP are also members of the thematic Advisory Boards.

The current period has seen ongoing efforts to maintain transparency, openness and accountability to civil society. Both the NE LEP and the Tees Valley LEP publish ESIF subcommittee minutes through the gov.uk website, along with compliance with other regulatory obligations (e.g. publication of beneficiary lists). Neither of the two NEE ESIF subcommittees include a communications/publicity item consistently on their meeting agendas. As in the 2007-2013 period, the main focus of attention in NEE is on disseminating information, communications and publicity to ESIF beneficiaries (i.e. grant recipients) and project applicants.

As noted by one NEE interviewee, 'accountability to civil society is through intermediaries rather than directly [through the LEPs]'. ESIF debate and discussion takes place on the initiative of regional organisations. The local authorities, supported by Technical Assistance funding, play a

prominent role in encouraging debate about and engagement in the funds. They hold events to help publicise the launch of calls, and encourage the physical presence of interested stakeholders. There is also some analysis of the funds and implications for partners; TVCA published a policy note in August 2016 looking at the 'Impact of British withdrawal of membership from the European Union', in which it noted that private sector match funding partners would be less likely to engage in project with the post-Brexit removal of ESIF.⁹ Openness and accountability are maintained as far as is considered practical. As expressed by one NEE interviewee, there is a need to balance openness and transparency against the need for confidentiality in the assessment and approval of competitive project applications.

According to the stakeholder survey respondents, communication tools used most often to disseminate information about the use of ESIF are more traditional tools such as brochures, leaflets, newsletters, along with plaques/billboards featuring the EU flag, but also the programme website as well as workshops and seminars. Communication via television and radio, including through the use of advertising campaigns, is reported to be the least common. National newspapers are reported to be used less than local or regional newspapers. The views on the use of the social media are mixed, with 25 percent of respondents reporting it as 'rarely' used, while two thirds of respondents consider it being used 'sometimes' or 'often'.

An qualitative response to the survey highlighted the existence of a lot of information on activities which the Fund supports but no information disseminated on any media specifically relating to the Funds. Grant recipients' websites have also been noted among other communication tools that are used in the region.

Table 17: Stakeholder survey Q10. How regularly are the following communication tools used to disseminate information about the use of Cohesion policy funds?

| | Never | Rarely | Sometimes | Often | Very often |
|--|-------|--------|-----------|-------|------------|
| Television | 66.7% | 25.0% | 8.3% | 0.0% | 0.0% |
| Radio | 50.0% | 33.3% | 8.3% | 8.3% | 0.0% |
| Local and regional newspapers | 16.7% | 25.0% | 50.0% | 8.3% | 0.0% |
| National newspapers | 16.7% | 50.0% | 16.7% | 8.3% | 8.3% |
| Workshops, seminars | 8.3% | 8.3% | 25.0% | 33.3% | 25.0% |
| Brochures, leaflets, newsletters | 8.3% | 8.3% | 8.3% | 50.0% | 25.0% |
| Press releases | 8.3% | 8.3% | 33.3% | 16.7% | 33.3% |
| Programme website | 8.3% | 8.3% | 25.0% | 8.3% | 50.0% |
| Film clips/videos | 33.3% | 16.7% | 50.0% | 0.0% | 0.0% |
| Plaques/billboard with EU flag | 8.3% | 8.3% | 16.7% | 16.7% | 50.0% |
| Social media (Facebook, Twitter, YouTube) | 8.3% | 25.0% | 33.3% | 33.3% | 0.0% |
| Advertising campaigns on television and/or radio | 83.3% | 16.7% | 0.0% | 0.0% | 0.0% |

| | No | Yes |
|---------------------------------|-------|-------|
| We have not launched any action | 85.7% | 14.3% |

Source: COHESIFY Stakeholder Survey 2017, N=12

⁹ Tees Valley Combined Authority (August 2016) Policy Note: Impact of British withdrawal of membership from the European Union

4.2 Effectiveness of communication strategies

There has been no evaluation of NEE ERDF OP 2007-2013 communications activities. Neither has DCLG published an ex post evaluation of the NEE ERDF OP 2007-2013. The main sources of information on NEE ESIF communications effectiveness are the AIRs and the Mid-Term Evaluation published in 2011. However, the AIRs provide a general focus on output metrics, with limited assessment of results or impacts. Interviewee evidence suggest that the number, and in some cases the high profile of capital investment projects in highly visible locations, contributed to the effectiveness of communication activities.

The 2011 midterm evaluation made several observations regarding the effectiveness of communication strategies. For example, the effectiveness of word of mouth communication between small business start-ups was noted (p.124), and potential beneficiaries seeking information were found to be more likely to be proactive in seeking out online information via the One NorthEast website. The MTE supported the conclusion that the NEE Communications Strategy achieved its primary aims in respect of promoting the OP and demonstrating the value of EU investment in the region.

While a dedicated evaluation of the communication plan was not undertaken, the midterm review of the communications strategy carried out by the ERDF Secretariat in the 2010 AIR assessed each of the 16 outputs and noted that 'targets [were] generally on track to be achieved and in some cases significantly exceeded' (p.105). The following conclusions were made:

- Good progress was made in implementing the Programme's Communications Strategy
- The vast majority of actions set out in the Strategy had been achieved
- Stakeholders were aware of the Programme and kept apprised of its performance and activity
- Communications activities were compliant with ERDF regulations
- The Programme's website was utilised by stakeholders, however, it required some revision to improve functionality and user satisfaction.

Subsequent AIRs continued to provide positive information on the effectiveness of NEE information and publicity efforts. Regional (One NorthEast) ERDF website statistics were reported up to May 2011 (3,600 hits per month from January), after which the online representation for the OP was moved to the central government website.

ERDF Practitioner Network

The ERDF Practitioner Network was not originally planned or foreseen in NEE. It was comprised of stakeholders supporting the development and delivery of ERDF projects. In the final available AIR, in 2014, the ERDF Practitioner Network had 369 members and was regarded as an effective and useful forum and platform for communications (further information is included in this report in the section on good practice examples).

Events

Limited information is available about communications and publicity events in NEE in the 2007-2013 period, bar summary statistics. The Programme launch event was held in February 2008 at St James Park, Newcastle upon Tyne, and attracted 160 regional stakeholders. The launch was widely covered in the regional media, with extensive features in the Newcastle Journal, the Northern Echo and the Middlesbrough Evening Gazette. It also provided an opportunity for regional partners to

network and allowed them to meet the newly established core European team responsible for co-ordination and delivery of the programme (AIR, 2008).

Following the launch event in 2008, One NorthEast held an Annual Event information in the region. One of the main aims of these events was to showcase regional performance, highlighting success stories, to build positive regional business and development sentiment. For example, in 2012 'over 50 people attended the event' and 87% rated the content as either very good or good (AIR, 2012).

Ad hoc stakeholder events were held to engage with beneficiaries and stakeholders. In 2012 for example, two events were held in the north and the south of the region, the aim of which to provide an update on OP modification and new calls.

Economic and political influences

The 2008/2009 global recession had a significant negative impact on the economy of NEE. This disruption was further compounded by domestic policy changes; particularly the closure of One NorthEast and the resultant transition of ERDF staff to the Department for Communities and Local Government (DCLG), the MA. As a result the OP was realigned via a request to the European Commission to place a greater priority on capital investment in support of economic infrastructure. Accordingly a revised Programme Communications Strategy was drawn up and endorsed by the Local Management Committee in June 2012. Nominally driven solely by the OP governance changes in NEE, the substantive changes to the delivery of OP communications included a greater focus on e-distribution (moving away from printed material), the discontinuation of a major publication of programme successes, the reduction of emphasis on commissioned photography, and the relaxing of some target metrics; see section 1.2.1 (Governance).

For the 2014-20 period, an independent external evaluation of communication activity has not been undertaken during the 2014-20 period, although the MA conducts an annual stakeholder survey of communication activities for the ERDF/ESF national OPs covering the whole of England (not specific to North East England, given the new programme structure). An assessment of communication activity, including results of the survey, are included in the AIR for 2016 as required by EU Regulations.

The 2016 Annual Implementation Report provides a review of the results of the communication strategy, partly drawing on a stakeholder survey and on metrics (such as website visits) and qualitative information. It notes there is clearly defined roles and responsibilities with DCLG as the MA being responsible for activities. There were restriction on activity before the referendum and a revision to the plan but communications outputs set out in the Annual Activity Plan were delivered and regulations met, as follows:

- **ERDF Programme communications activities 2016.** Through MA communications activities the MA publicised the purpose, priorities and availability of ERDF and how to access it in England. The MA highlighted activities/outcomes of projects contracted under ERDF to target audiences set out in the Communications Strategy.
- **Programme communications** were delivered, wherever possible, as joint activities across ERDF and ESF. The annual communications activity plan is also a joint document, although itemised and in some cases programme specific.
- **Formal Communications Partner Survey** carried out (results summarised below).
- Ongoing development/promotion of **ESI Funds pages on GOV.UK**. The official website received 491,787 page views in 2016 (target - 30,000 page views per month), 60% of survey respondents saw website pages as easy to locate/access and 79% felt information provided on pages was useful/helpful.

- Continued development and rollout of **publicity requirements document and programme communications toolkit** (including logos, poster templates etc.)
- **ESI Funds monthly programme bulletins.** Distributed monthly to database/partner list of around 2,000, 83% of survey respondents found the content informative/interesting
- **Ministerial/senior government official project visits.** Multiple senior government official visits to ERDF projects took place, including the Director of European Programmes at DCLG at WICED, Liverpool. Ministers and MPs visited several ESI Funds projects during the course of the year. Positive feedback was received from officials and partners involved.
- **Media activity.** Stories supported publicising benefits of EU funding in local areas during the first half of year and issued press notices regarding the guarantee of funding following the referendum. Local and national delivery partners/projects supported in the production of localised press activity - extensive online press cuttings documents produced.
- **Social media activity.** Regular updates/ news shared through Twitter - tweeted around 200 times. Following sub-committee and survey feedback more extensive use was made of images/graphics in tweets. The MA continued building up content on dedicated ESIF YouTube channel, uploading films highlighting successful projects from the previous programme. 28% of survey respondents have retweeted MA tweets, 862 followers, following 983.
- A range of ERDF led **internal communications activities** took place within DCLG including staff spotlights, blogs, performance wall displays, presentations to other directorates/departments, regular updating of intranet presence and 'talking heads' videos. Aimed at improving awareness of the ESI Funds programmes within departments and across Government.
- **List of Beneficiaries** published and promoted by DG Regio Comms unit as example of good practice to other member states.
- **ERDF and ESF Communications Sub-Committee established** in early 2016 and made up of communications practitioners from a broad range of programme partner groups. Supported MAs in devising and delivery of annual communications activity plans. Met twice in 2016 (March and October) and in regular contact throughout year.
- **Developing/participating in key partner communications networks.** ERDF Practitioners network launched with a November bulletin, followed by one in December. Has a growing membership, currently over 500. Other networks include ESI Funds UK Comms Network, INFORM, LEP Network.
- **ERDF major annual communications activity** – development/ distribution/publicising of programme case study book 'Supporting Local Growth' containing 27 2014-2020 project case studies/visuals, highlighting role ERDF plays in supporting local growth/businesses.

An annual stakeholder survey of ERDF and ESF Communication activities is undertaken annually in January by the MA for the national OPs in England. The main target groups are the recipients of the programme bulletin and the practitioner network members. The survey asks questions about the usage and benefits of the key tools as well as gathering feedback on improvements that can be made. The results are not published in full but a summary is published and feeds into the national monitoring committee. For instance, the 2017 results showed positive results and improvements in almost all areas against the equivalent survey conducted in early 2016. Among the positive findings highlighted are increases in the number of people receiving and reading the programme bulletin, accessing the programme web pages and finding the information provided useful and helpful, and engaging in social media activities. Further, new products such as the list of beneficiaries and the

practitioner network were well received. The key findings in relation to specific communication tools were as follows:

- **Programme bulletin.** The share of respondents receiving and reading the programme bulletin is 85% (up by 11 percent on the previous year); 82% find it informative and interesting (4% down).
- **Webpages.** The number accessing the programme web pages is 83% (up 2%) with 60% finding the information useful and helpful (up 1 percent). However, only 55% find the website easy to use and navigate (albeit up 4%).
- **Online Documents.** Three quarters of respondents had seen the Guide to ERDF and ESF (up 30% on previous survey). Of these, 74% found it easy to use and read (down 2% on previous survey); and 72% found the information useful and helpful (down 2% on previous survey) 37% had seen the new ERDF case study booklet of which 75% found it informative, useful and helpful; and 78% would like to see more of this type of document. The main comments were to send out more alerts to say these documents are available, and promote the useful resources page more widely
- **Social media activities.** Engagement with twitter is 56%, up 7% but only 36% of these subscribe to the twitter feed. Further, only 27% of those engaging have retweeted one or more tweets and 35% have noticed the #growthprogramme. Only 16% of respondents had visited the YouTube channel.
- **List of beneficiaries.** New products such as the list of beneficiaries and the practitioner network have been well received.
- **ERDF practitioner network.** 52% of respondents had joined this network (24% up on previous survey). Of these, 80% said they found the network bulletins informative, interesting and useful. The key comments received were the need for more sharing of good practice, clarity on amendments to guidance and for an ESF equivalent of the network to be set up.

Actions taken or to be taken in response to the survey included:

- more tweets and promotion through bulletins about case study book, Guide to ERDF and ESF document and key web content, including useful resources page
- Priority Area column added to list of beneficiaries
- more visuals added to Programme and ERDF practitioner bulletins
- pushed harder to engage / link up with partners and projects through social media
- made an effort to make tweets more engaging, interesting, eye-catching and regular (daily when possible)
- re-organised guidance documents on GOV.UK to make them easier to find
- promoted our 'useful resources' page on GOV.UK more widely
- developed and introduced a style guide within DCLG for staff to use in order to standardise language used and help minimise jargon etc.
- made increased effort to develop and share project case studies via various platforms
- devised plans for major information activities in 2017 to incorporate localised promotional activity

- developed and set to publish an ESF case study booklet
- planning to launch ESF project/practitioner bulletin in the early summer

Overall, the MTE and AIR reports indicate that communications activity was effective and efficiently delivered in NEE in 2007-13. Despite the economic and political factors that disrupted Programme design and delivery, evidence indicates that communications and publicity performance was sustained. NEE has a strong regional identity and achieved considerable learning about what works in regional development over preceding funding period.¹⁰ The effectiveness of ESIF communications activities are contextualised in this environment.

While the NEE reports or evaluations have not produced communications-related policy recommendations, the 2014-2020 ERDF and ESF Communications Strategy notes the following lessons learned from communications activity in 2007-2013 (drawn from lessons learned across all English regions):

- move towards the increased use of social media channels to disseminate messages and communicate with audiences in real time;
- the use of more innovative interactive channels has become more important and the norm rather than the exception;
- reduction in the use of printed materials for the majority of target audiences; and
- the importance of a user focused website to help a range of audiences with differing information needs to locate information on the funding programmes.

The opinions and narratives of interviewees tended not to reflect the overwhelmingly positive assessment of ESIF communications in the NEE region made by the AIRs. A majority of interviewees consider that publicity and communication is a second order priority relative to delivery and compliance with EU rules, and that the primary target group are beneficiaries of funding rather than the public at large. Further, a number of interviewees consider that communication efforts, resources and local targeting have declined over time because of the shift to a national framework/programme for delivering Cohesion policy, the associated reduction in capacity and loss of a territorial dimension.

‘We still have a communication strategy but the high point of that was still over the course of that 2007-13 period when you had dedicated resources, dedicated press team sitting in the RDA, and a member of staff whose role was to issue local press releases, to arrange visits, and a lot of other publicity related stuff... everything we did before the current programme till 2011 was locally and regionally focused. When things changed to a national programme the local dimension gets lost.

This shift has to be seen in the context of public sector cuts in funding and rationalization of economic development institutions: ‘If there is one area that suffered because of austerity cuts it would be the publicity side’.

The need for greater capacity to deliver communication and publicity was mentioned by a number of interviewees, e.g:

‘There’s a strength and weakness in terms of reliance of this programme on partnership activity and relying on partners to kind of spread messages and things like that. I think it spreads ownership more widely, but it does rely on people doing it alongside their day jobs, I think which leads to issues of capacity.’

¹⁰ Charles D and Michie R, 2013

The reliance on the local authorities and LEPs, as 'front line' organisations communicating with the general public, applicants, beneficiaries and grant recipients was highlighted as well:

'The LEPs are doing the best they can to try to make the picture clearer. The LEPs have had no money whatsoever to actually do these [communication] roles... none of that is funded. Some LEPs have got resource to do it through combined authorities and devolution deals. And some LEPs haven't, and they're having to find resources of their own through different pots of money.'

'We try to write the story to show how we are working with the MA... but it's not always taken up by the press... Most projects wouldn't have press officers.. most projects don't have a publicity person at project level.'

By contrast, one respondent highlighted the benefits of a centralised approach with a single national programme in terms of the ability to standardise processes and improve coordination and quality in some respects. However, there are still challenges given the limited resource at national level and there is a need to rely heavily on local growth delivery teams.

In line with the desk research, key recommendations are to increase the use of social media channels to disseminate messages and communicate with different audiences; and to invest more resources and capacity in communication at MA level and within the region. The challenge seen by some interviewees with regard to social media is to make use of it in a more integral manner to convey high value information:

'We've got quite a good social media site and following but it's very superficial. The Facebook page is all about celebrating stuff.. everyday stuff.'

'Definitely, use of social media. Even infographics for the LEP to use. I know the NE LEP does quite a bit around media and communications. But maybe, not necessarily big, difficult reports to read - to deliver the message to citizens, instead of dry documents, quick sharp infographics.'

'We push out the message through various means about the funding availability and what it's achieving to date giving examples... we do that regularly through Twitter. There's a big focus on that. The press and social media element also touches on the wider public and citizens. That's certainly an element we are trying to get out.'

A number of interviewees recognised that the social media presence of ESIF in the region had some way to go to reach its full potential:

'It's safe to say that we have been slow adopters on that.'

'I haven't seen much from the MA on social media. They have accounts but are not engaging and I wouldn't know the number of followers'.

The online survey of stakeholders revealed divided views on the effectiveness of communication strategies are divided. A large share of respondents hold a neutral position on many issues, particularly on satisfaction with use of human interest/personal stories. Opinions are particularly polarised on the targeting of different groups with different communication tools. The highest level of dissatisfaction related to communication capacity: 42 percent of respondents are unsatisfied or very unsatisfied with the administrative capacity and resources dedicated to communication activities. A third of respondents are unsatisfied with the way Cohesion policy is communicated to citizens, including the branding and messages used to communicate it.

Table 18: Stakeholder survey Q11. How satisfied are you with:

| | Very | Satisfied | Neither satisfied | Unsatisfied | Very | Don't |
|--|------|-----------|-------------------|-------------|------|-------|
|--|------|-----------|-------------------|-------------|------|-------|

| | satisfied | | nor unsatisfied | | unsatisfied | know |
|---|-----------|-------|-----------------|-------|-------------|-------|
| The way Cohesion policy is communicated to citizens | 0.0% | 16.7% | 33.3% | 33.3% | 0.0% | 16.7% |
| The branding and messages used to communicate Cohesion policy | 0.0% | 25.0% | 25.0% | 33.3% | 0.0% | 16.7% |
| The use of human interest/personal stories | 0.0% | 16.7% | 58.3% | 25.0% | 0.0% | 0.0% |
| The support from the European Commission on communication | 0.0% | 33.3% | 33.3% | 0.0% | 0.0% | 33.3% |
| The targeting of different groups with different communication tools | 0.0% | 25.0% | 33.3% | 25.0% | 0.0% | 16.7% |
| The administrative capacity and resources dedicated to communication activities | 0.0% | 25.0% | 16.7% | 33.3% | 8.3% | 16.7% |

Source: COHESIFY Stakeholder Survey 2017, N=12

Overall, there is a relatively low level of satisfaction with the effectiveness of communication efforts in using social media (over two thirds of respondents see it as ineffective or very ineffective), in conveying the achievements of ESIF programmes and projects and the role of the EU (half of respondents), or in fostering good relations with the media and press for greater public outreach (50 percent). At the same time, a large proportion of survey respondents hold neutral views on these aspects. Open ended responses to the survey also highlighted poor press coverage in the region: as noted by one of the respondents, 'there seems to be a stigma attached to promoting good news story about the EU to the general public'.

Table 19: Stakeholder survey Q12. To what extent are the communication efforts effective in:

| | Very effective | Effective | Neither effective nor ineffective | Ineffective | Very ineffective | Don't know | Not used |
|--|----------------|-----------|-----------------------------------|-------------|------------------|------------|----------|
| Conveying the achievements of Cohesion Policy programmes overall and the role of the EU | 0.0% | 16.7% | 33.3% | 41.7% | 8.3% | 0.0% | 0.0% |
| Conveying the achievements of co-funded projects and the role of the EU | 0.0% | 8.3% | 41.7% | 50.0% | 0.0% | 0.0% | 0.0% |
| Using social media to promote the programme and projects (e.g. Twitter, YouTube, Facebook) | 0.0% | 25.0% | 8.3% | 58.3% | 8.3% | 0.0% | 0.0% |
| Fostering good working relations with the media and press to reach the general public | 0.0% | 0.0% | 33.3% | 41.7% | 8.3% | 16.7% | 0.0% |

4.3 Good practice examples

The desk research identified two potential good practice example in terms of stakeholder communication and the implementation of publicity rules.

- **The ERDF Practitioner Network** was not foreseen or planned for in the original Communications Strategy. However, it came to be recognised as an important forum for discussion and demonstration of good practice. It was launched by the NEE ERDF Secretariat in 2009 as a mechanism through which to exchange experience, build knowledge, and to share practical information on delivery and compliance issues. It also facilitated interactive engagement and arguably helped to develop a sense of greater involvement and belonging in the NEE ERDF OP 2007-2013 from stakeholders. The Network was also used to facilitate training events (e.g. on State Aid) and was targeted with mailing lists.
- **ERDF beneficiary list.** According to the AIR 2016, DG Regio Comms unit has highlighted the UK's beneficiary list as an example of good practice to other member states.

Most interviewees could not identify any areas of good practice in communication. Two respondents highlighted a case study booklet and publicity guidance.

- **Case study booklet.** The project case study booklet is considered to be a good example of a self-contained product that tells the story of European funding. ERDF and ESF staff publish separate booklets but following a coordinated approach by publishing the booklets at the same time and through coordinated social media activity.
- **Publicity Compliance guidance.** It was noted that DG REGIO colleagues have asked the UK to present compliance guidance supporting projects to comply with EU requirements at the INFORM network meeting in the past

4.4 Media framing of Cohesion policy

The framing analysis of British newspaper stories on Cohesion policy conducted as part of the COHESIFY project shows that the majority of UK news articles frame EU Cohesion policy in positive and economic terms (Triga and Vadratsikas 2018). An "economic consequences" frame is dominant in 55% of the sample (247 articles in total), and most of these articles focus on the positive implications of EU Cohesion policy for the economy. As revealed in the subframe analysis, the most dominant subframe is "Development" (18.6%) followed by "Job creation" (15.7%) and "Innovation" (13.4%).

The second most dominant frame (accounting for 20% of the total) is the "Quality of life" frame, which represents EU Cohesion policy in terms of the positive impacts on citizens' everyday lives, mainly by supporting disadvantaged social groups (7.7%) and by providing infrastructure (6.9%). The remaining five frames ("Culture", "Incompetence of national/local authorities", "Power", "National interests", "Cohesion" and "Fund abuse") are far less salient frames (4.9%, 4%, 0.8%, 2.8% and 2.4% respectively).

In terms of media tone, the framing analysis revealed that 62% of the articles have a positive valence (tone). However, very few articles frame Cohesion policy from a 'European' perspective emphasising the EU dimension (4%), implying that national and local interests and priorities dominate the news stories.

Finally, the framing analysis of territorial differences found that national and regional media apply similar frames but that regional media tend to present positive news more often than national media, yet they never approach the news from a European perspective.

In line with the framing analysis results, several interviewed stakeholders in North East England considered that local newspapers tend to provide a balanced or positive tone in reporting on EU funded project stories:

'Most local papers (journal, chronicle, northern echo) tend to be positive about the role and amount of money invested as does the local media, obviously they give a balanced perception, so UKIP have a role here, there is a strong UKIP and vote leave presence in the south of the region in places like Sunderland and some of the rural areas. Mostly I think the local press is, I wouldn't say, positive, but it's balanced.

However, negative stories are frequent in the international and national, particularly Eurosceptic tabloid, press:

'The FT, Daily Mail and Daily Express exposes of the waste and corruption of EU expenditure and they take great joy in identifying irregularity as fraud in themselves so far every positive story you can place there tends to be 3-4 negative ones. ...it contributes to negative perception which mean that the knock on effect of that is that it doesn't matter how good stakeholders and people involved in economic development it is, if the only thing people see is EU money is either making otherwise good organisations bankrupt or is about fraud then it is not helpful'

Proactive engagement with EU officials/commissioners can help to generate media interest:

'In the past, we worked very closely with the Commission, had Commissioner over, members of the Commission over to do project visits and always in the media.'

It is also important to issue press releases in an engaging way covering projects of interest to the media:

"it's the way you write and communicate the stories that matters...you can't just write about the project to generate media interest. We have had quite a few on low-carbon, big engineering projects, the universities, life sciences...it's the bigger sexier projects they are more interested in"

On the other hand, there are political sensitivities to navigate which can detract from the story and limit media interest and take up:

"the LEP has to be politically neutral as it has to appease 7 local authorities. The MA also has to be seen as completely neutral so by the time press releases filter through the content is not as exciting for the desk journalists."

Echoing the media framing and interview findings, the survey of stakeholders found that a large share of survey respondents think that the media and politicians overlook or downplay the European dimension of EU funding. Another challenge related to the form of the messages adopted to reach target audiences, which is considered to be inappropriate by nearly 60 percent of respondents. The survey responses also suggest that there is room for improving the consistency of communication messages. The tone of the media in reporting stories about Cohesion policy is another constraining factor: over 40 percent of respondents agree that the tone is largely negative, compared to 25 percent that disagree with the statement that the media mainly report negative stories (while 25 percent neither agree or disagree).

Table 20: Stakeholder survey Q13. To what extent do you agree or disagree with the following statements:

| | Strongly agree | Agree | Neither agree nor disagree | Disagree | Strongly disagree | Don't know |
|--|----------------|-------|----------------------------|----------|-------------------|------------|
| The media mainly report negative stories about EU Cohesion Policy | 8.3% | 33.3% | 25.0% | 25.0% | 0.0% | 8.3% |
| During publicity events, politicians mainly highlight the local/regional dimensions of | 0.0% | 50.0% | 33.3% | 8.3% | 0.0% | 8.3% |

| | | | | | | |
|---|------|-------|-------|-------|------|-------|
| projects to claim credit for themselves, rather than the role and contribution of the European Union | | | | | | |
| The media do not highlight the European Union role and contribution in a sufficient way | 8.3% | 66.7% | 16.7% | 0.0% | 0.0% | 8.3% |
| The key programme communication messages have adopted an appropriate form to reach their target audiences | 0.0% | 16.7% | 25.0% | 50.0% | 8.3% | 0.0% |
| The communication messages have been consistent at country or regional levels | 0.0% | 0.0% | 41.7% | 25.0% | 8.3% | 25.0% |
| There is insufficient resources and priority dedicated to communication by programme stakeholders | 8.3% | 33.3% | 41.7% | 0.0% | 0.0% | 16.7% |

Source: COHESIFY Stakeholder Survey 2017, N=12

Stakeholders see the programme website, publications and events as the most effective communication measures. Television, radio, and media/advertising campaigns on television or radio are rarely used. Most respondents view national newspapers to be less effective for increasing citizens' awareness of EU Cohesion policy than local and regional newspapers (over 40 percent of respondents viewing them as ineffective). Video/film clips and presentations are considered ineffective or very ineffective by half of the respondents. One of the challenges highlighted in the qualitative responses is that communication mainly targets beneficiary or potential applicant organisations and businesses rather than the broader public.

Table 21: Stakeholder survey Q14. How effective do you think each of these communication measures are in increasing citizens' awareness of EU Cohesion Policy?

| | Very effective | Effective | Neither effective nor ineffective | Ineffective | Very ineffective | Don't know | Not used in my region |
|--|----------------|-----------|-----------------------------------|-------------|------------------|------------|-----------------------|
| Television | 0.0% | 16.7% | 0.0% | 25.0% | 8.3% | 16.7% | 33.3% |
| Radio | 0.0% | 16.7% | 0.0% | 25.0% | 8.3% | 25.0% | 25.0% |
| Local and regional newspapers | 0.0% | 25.0% | 33.3% | 16.7% | 0.0% | 25.0% | 0.0% |
| National newspapers | 0.0% | 33.3% | 0.0% | 41.7% | 0.0% | 25.0% | 0.0% |
| Programme website | 0.0% | 41.7% | 8.3% | 25.0% | 8.3% | 8.3% | 8.3% |
| Video/film clips and presentations | 0.0% | 25.0% | 0.0% | 41.7% | 8.3% | 16.7% | 8.3% |
| Plaques/billboard with EU flag | 0.0% | 33.3% | 33.3% | 16.7% | 0.0% | 8.3% | 8.3% |
| Social media (Facebook, Twitter, LinkedIn, YouTube) | 0.0% | 25.0% | 25.0% | 16.7% | 8.3% | 16.7% | 8.3% |
| Media/advertising campaigns on television or radio | 0.0% | 16.7% | 8.3% | 25.0% | 0.0% | 16.7% | 33.3% |
| Press releases | 0.0% | 25.0% | 33.3% | 25.0% | 0.0% | 16.7% | 0.0% |
| Brochures, leaflets, newsletters, other publications | 0.0% | 58.3% | 8.3% | 25.0% | 0.0% | 8.3% | 0.0% |
| Events | 8.3% | 50.0% | 16.7% | 16.7% | 0.0% | 8.3% | 0.0% |

4.5 Implications for citizens perceptions and attitudes to the EU

North East England has been a significant beneficiary of EU Cohesion policy funding over successive programme periods, and there are many emblematic and high-visible projects that have received EU co-funding. Yet, there are mixed views on the level of public awareness of EU funding in the region. On the one hand, it is recognised that there are emblematic projects that are highly visible to the public:

'If talking about Newcastle, people would recognise that because some of the funds have been applied to arts and culture. There are noticeable visible building with the European flag. People would get that. The Baltic, the Sage are two examples. The Baltic fire mill was converted to an art gallery and restaurant. The SAGE music centre has a permanent European flag symbol. So you would see it'

However, capital expenditure on infrastructure through EU Cohesion policy has declined over time, which has reduced the visibility of EU funding and signage:

'When you look back at previous programmes you would see signs everywhere saying it was part funded by EU, whereas now you don't get to see that...that is because there is not a lot of capital spend so you don't get to see signs on buildings.'

Moreover, the lack of appreciation of EU funding and the EU more generally is self-evident from the high percentage of leave voters in areas that have received major investments:

'The results of the referendum speak for themselves...somewhere like Sunderland wouldn't exist without EU funding yet they voted to leave the EU on the basis of what's it ever done for us. Well you can literally go round saying you wouldn't have that, you wouldn't have that, that infrastructure wouldn't be there...'

Conversely, the referendum also politicized EU funding and potentially increased awareness and appreciation of the benefits:

'there was a lot of conversation about what has European funding ever done for us and certainly in the media there was a lot of chat saying the more northern regions, the regions of England further away from London benefit more from European funding. So maybe some of that leaked into the regional consciousness of citizens, but obviously that wasn't through any of the work that any of the partners did in terms of promoting the European programme through Technical Assistance and things...That was very much the Brexit referendum conversation.'

While project promoters and delivery bodies have a strong awareness of the policy, this does not necessarily filter down to direct beneficiaries or the public, as highlighted in the following two quotes:

"In terms of ESF, the higher education academic sector so the deliverers really get it and understand how important it is. Would the apprentice who gets training to work on the Nissan plant-line know that there an EU match funding fund at Gateshead college that paid for that? I doubt it very much."

"In flyers for people on training courses it will have part funded by EU but again people largely ignore that as more interested in what the programme is seeking to do rather than where it has been funded"

Additional insights on the relationship between cohesion policy and public opinion are available from the stakeholder survey. A third of respondents think that Cohesion policy has contributed to increasing citizens' support towards the EU, but a greater share (42 percent) do not see any connection. At the same time, a small share reported a negative impact of the policy upon citizens' support.

Table 22: Stakeholder survey Q4. In your opinion, has Cohesion policy during the last 10 years or so helped to make residents of your municipality/region support the European Union more?

| It has helped a lot | It has rather helped | It has had no impact | It has had a rather negative impact | It has had a very negative impact | Don't know |
|---------------------|----------------------|----------------------|-------------------------------------|-----------------------------------|------------|
| 0.0% | 33.3% | 41.7% | 8.3% | 0.0% | 16.7% |

Source: COHESIFY Stakeholder Survey 2017, N=12

Most survey respondents see the effects of Cohesion policy communication on citizen's awareness, perceptions and attitudes to the EU as limited. Over 40 percent of respondents disagree that communication activities have led to an increased citizens' awareness of the Cohesion policy contribution to regional and local development, nearly 60 percent do not see their positive effect on citizens' support for the EU and two thirds do not consider they have had a positive impact on their identification with the EU. This is not necessarily related to citizens' mistrust in Cohesion policy communication activities and messages (67 percent of respondents hold a neutral opinion on this issue).

Table 23: Stakeholder survey: Q15. To what extent do you agree or disagree with the following statements:

| | Strongly agree | Agree | Neither agree nor disagree | Disagree | Strongly disagree |
|---|----------------|-------|----------------------------|----------|-------------------|
| The communication activities have led to an increased awareness among citizens of the contribution of Cohesion policy to regional and local development | 0.0% | 16.7% | 41.7% | 33.3% | 8.3% |
| The communication activities of Cohesion policy funds increase the sense of belonging of citizens to the European Union | 0.0% | 8.3% | 25.0% | 58.3% | 8.3% |
| The communication activities of Cohesion policy funds contribute to increasing citizens' support for the European Union | 0.0% | 8.3% | 33.3% | 33.3% | 25.0% |
| Citizens mistrust Cohesion policy communication activities and messages or consider them to be propaganda | 8.3% | 25.0% | 66.7% | 0.0% | 0.0% |

Source: COHESIFY Stakeholder Survey 2017, N=12

The survey also asked an open-ended question about how to improve the communication of Cohesion policy achievements to citizens. One respondent stated that citizens are relatively oblivious to the benefits received and take the funding for granted, and recommended targeted media campaigns (social and preferably televised) with case studies about what has been funded and the success it has brought.

5. Citizens views of Cohesion policy and the EU

5.1 Citizen survey results

The COHESIFY Citizen Survey (Borz *et al.* 2017) provides more direct and representative insight into citizens' awareness and appreciation of Cohesion policy funding in the North East of England, as well as their attitudes to and identification with the EU. At least 500 citizens were surveyed by telephone in each of the 17 COHESIFY case study regions: North-East England (UK); Scotland (UK); Lombardia (IT); Podkarpackie (PL); Pomorskie (PL); Cyprus; Central Macedonia (EL); Nyugat-Dunántul (HU); Zahodna (SI); West Romania; the Province of Flevoland (NL); the Province of Limburg (NL); Baden-Württemberg (DE); Thüringen (DE); Andalucía (ES); Castilla y León (ES); and Southern and Eastern Ireland.

Awareness of EU funding

Less than half (41.8%) of the 500 citizens surveyed in the North East of England have heard about EU funded projects to improve their region or city, which is below the average across the 17 EU regions covered by the study (45.5%). Among those that have heard of EU projects, the main sources of information are traditional media, namely local or regional newspapers (55%) and local or regional TV (53.1%). This is followed by personal experience or knowledge of projects (48.3 percent). Despite the increasing popularity of *social media* for news consumption in recent years, it is the least relevant source of information about EU funded projects for NEE citizens (21.1 percent). Billboards and placards acknowledging EU funding on project sites are the second least important source of information (26.3%), which is significantly below the share for Scotland (34%) and the average for all 17 regions (44.5%), and may reflect the shift away from capital/infrastructure projects in recent years.

Table 24: Citizen survey: Sources of knowledge about EU funded projects

Where did you hear about EU funding to regions and cities?

| Source | Yes | No | Don't know |
|--|------|------|------------|
| National newspapers | 35.4 | 64.1 | 0.5 |
| Local or regional newspapers | 55.0 | 44.5 | 0.5 |
| National TV | 38.3 | 61.2 | 0.5 |
| Local or regional TV | 53.1 | 45.9 | 1.0 |
| National radio | 26.3 | 73.2 | 0.5 |
| Local or regional radio | 26.8 | 71.8 | 1.4 |
| Internet | 35.4 | 64.6 | 0.0 |
| Social media | 21.1 | 78.5 | 0.5 |
| Billboard | 26.3 | 73.2 | 0.5 |
| Workplace | 33.0 | 66.5 | 0.5 |
| Personal experience or knowledge of projects | 48.3 | 51.2 | 0.5 |
| Other | 23.0 | 75.1 | 1.9 |

Source: Borz *et al.* (2017)

Levels of awareness of different ESI funds differ considerably, with the ERDF being the most recognisable fund (65.6 percent), while knowledge of ESF is just over 45 percent. This may be due to the more visible nature of ERDF support, notably in infrastructure. The level of awareness of the ERDF is higher NE England than the average levels across COHESIFY regions (60.8 percent) but less than for the ESF (47.7 percent). Awareness of the Cohesion Fund is very low (X percent), possibly because NEE is not eligible for the Fund. Overall, 18.4% of residents reported having benefitted in their daily life from one of the funds, which is slightly above the COHESIFY average of 17.5 percent.

Table 25: Citizen Survey: Level of awareness of ESI funds

Have you heard about the following funds?

| Fund | Yes | No | Don't know |
|---------------|------|------|------------|
| ERDF | 65.6 | 34.0 | 0.4 |
| ESF | 45.6 | 54.0 | 0.4 |
| Cohesion Fund | 11.0 | 89.0 | 0.0 |

Source: Borz *et al.* 2017

Perceived impact of EU funding

North East England respondents have a positive perception the impact of EU funding on their region or city with 72.3 percent of respondents with awareness of projects in their region or city assessing the impact as 'positive or very positive', albeit less positive than in Scotland (77%) and the average for the COHESIFY regions (78%). Conversely, the share of respondents with negative perceptions of impact (8.1% assessed the impact as being 'negative' or 'very negative' for their region or city) is higher than the COHESIFY average of 4.4 %.

Table 26: Citizen survey: Perceived impact of EU funding

How positive or negative was the impact of the funding of the European Union on your region or city?

| Very positive | Positive | No impact | Negative | Very negative | Not applicable for my region or city | Refused | Don't know |
|---------------|----------|-----------|----------|---------------|--------------------------------------|---------|------------|
| 29.2 | 43.1 | 9.1 | 6.2 | 1.9 | 5.3 | 0.5 | 4.8 |

Source: Borz *et al.* 2017

The main reasons for a positive impact are the availability of extensive EU funding (83.4 percent) and allocating funds to the right projects (78.1 percent). Timely implementation (50.3%) and good management (49 percent) are also seen important. Lack of corruption was only identified by 30.5% of respondents as a factor maximising the impact of EU funding.

Table 27: Citizen survey: Reasons for the positive impact of EU funding

Why do you think there was a positive impact?

| Reason | Yes | No | Refused | Don't know |
|--|------|------|---------|------------|
| Extensive funding | 83.4 | 14.6 | 0.7 | 1.3 |
| Allocation to the right projects | 78.1 | 13.2 | 0.7 | 7.9 |
| Good management | 49.0 | 25.2 | 0.7 | 25.2 |
| Executed on time | 50.3 | 23.2 | 0.7 | 25.8 |
| No corruption among government officials awarding EU tenders | 30.5 | 38.4 | 2.0 | 29.1 |
| No corruptions among beneficiaries of EU funds | 27.8 | 42.4 | 1.3 | 28.5 |
| Other reasons | 39.7 | 55.2 | 2.1 | 3.1 |

Source: Borz *et al.* (2017)

Conversely, among those that have negative view of the impact EU funding, the main reasons are perceived corruption among beneficiaries (63.9%) followed by bad management (58.3 percent) and corruption among government officials awarding tenders (52.8%). Allocation to the wrong projects is also a key factor (50 percent), while implementation delays are perceived to be less relevant (22.2%). Compared to COHESIFY regions, of particular note is the higher share of respondents that perceive corruption among beneficiaries to be a determinant of the lack of positive impact (63.9% compared to a 59.%), while a significantly lower share highlight corruption among government officials as a reason for negative impact (52.8% in NEE, compared to 61.5% average across all regions).

Table 28: Citizen survey: Reasons for lack of positive impact of EU funding

Why do you think there was no positive impact?

| Reason | Yes | No | Refused | Don't know |
|---|------|------|---------|------------|
| Not enough funding | 41.7 | 58.3 | 0.0 | 0.0 |
| Allocation to the wrong projects | 50.0 | 44.4 | 0.0 | 5.6 |
| Bad management | 58.3 | 36.1 | 0.0 | 5.6 |
| Not executed on time | 22.2 | 52.8 | 0.0 | 25.0 |
| Corruption among government officials awarding EU tenders | 52.8 | 30.6 | 0.0 | 16.7 |
| Corruptions among beneficiaries of EU funds | 63.9 | 22.2 | 0.0 | 13.9 |
| Other reasons | 56.7 | 43.3 | 0.0 | 0.0 |

Source: Borz *et al.* (2017)

Turning to the added value of EU funding for development, a minority of citizens consider the impact to have been positive overall in net terms. A greater share of respondents (34.4 percent) do believe that their region would have developed worse (somewhat or a lot worse) without EU funding than those that think it would have developed better (somewhat or much better) without EU funding (20.1%). However, the fact that a quarter of respondents (25.1%) consider that the region or city would have developed the same without EU funding implies that the added value in economic development terms is questionable in net terms from the citizens' perspective. While the share of citizens thinking that the region would have developed the same is in line with the COHESIFY average of 24%, a significantly greater share of respondents across all regions (44.5%) think their region/city would have developed worse without the EU funding.

Table 29: Citizen survey: Added value of EU funding

How do you think your region or city would have developed without EU funding?

| Much better | Somewhat better | Same | Somewhat worse | A lot worse | Not applicable for my region or city | Refused | Don't know |
|-------------|-----------------|------|----------------|-------------|--------------------------------------|---------|------------|
| 9.0 | 11.2 | 25.4 | 19.6 | 14.8 | 10.2 | 0.2 | 9.6 |

Source: Borz *et al.* (2017)

EU attitudes

A majority of NEE respondents (54%) have a positive perception of the benefits of EU membership for their country, which is significantly below the average across all COHESIFY regions (66.7 %) and Scotland (65%). Conversely, a far higher proportion of people in NEE 'disagree' and 'strongly disagree' that their country has benefitted from EU membership (30.4 percent) compared to the COHESIFY average (17.1 percent) and Scotland average (22.2%).

Table 30: Citizen survey: Appreciation of EU membership

To what extent do you agree with the following statement: "My country has benefited from being a member of the European Union"?

| Strongly agree | Agree | Neither agree nor disagree | Disagree | Strongly disagree | Refused | Don't know |
|----------------|-------|----------------------------|----------|-------------------|---------|------------|
| 29.6 | 24.6 | 13.2 | 15.0 | 15.4 | 0.0 | 2.2 |

Source: Borz *et al.* (2017)

Support for European integration is lower than perceived benefits from membership. Less than half of respondents (46 percent) are 'somewhat in favour', 'in favour' or 'strongly in favour of European integration, significantly below the COHESIFY average (58.6 percent). Moreover, the North East England region has the greatest proportion of respondents that are 'strongly opposed to European

integration of all COHESIFY regions (14.8 percent, compared to a COHESIFY regional average of 5.1 percent).

Table 31: Citizen survey: Position on European integration

How would you describe your general position on European integration?

| Strongly opposed | Opposed | Somewhat opposed | Neutral | Somewhat in favour | In favour | Strongly in favour | Refused | Don't know |
|------------------|---------|------------------|---------|--------------------|-----------|--------------------|---------|------------|
| 14.8 | 7.6 | 7.4 | 22.6 | 6.4 | 19.2 | 20.4 | 0.4 | 1.2 |

Source: Borz et al. (2017)

European identity and attachment

The survey shows that a significant majority of North East England citizens have a Europeanised identity with 62.6 percent of respondents declaring that they feel both British and European (45.2 percent) or exclusively European (17.4 percent). It is notable that the share of respondents that feel exclusively European is significantly higher than the COHESIFY average of 8.6 percent, with only Southern and Eastern Ireland and Lombardia scoring higher (17% and 23.8% respectively).

Table 32: Citizen survey: Self-identification

Do you see yourself as...

| Country only | Country and European | European and Country | European | Refused | Don't know |
|--------------|----------------------|----------------------|----------|---------|------------|
| 35.4 | 33.6 | 11.6 | 17.4 | 0.2 | 1.8 |

Source: Borz et al. (2017)

In terms of the intensity of attachment to different places, NEE residents have the strongest level of attachment ('very attached') to their country (62.4 percent) followed by region (60.6%) and city/town/village (58.8%). A much lower percentage feel very attached to the EU (24.7%) and slightly more (27.4%) to Europe, which is broadly in line with the average for all regions (). More distinctive is the relatively higher share of NE England people that do not feel at all attached to the European Union at 31.8 percent, which is the highest share among all 17 regions and more than double the average of 14.1 percent.

Table 33: Citizen survey: Territorial attachment

People may feel different degrees of attachment to places. Please tell me how attached you feel to:

| | Very | Somewhat | A little | Not at all |
|------------------------|------|----------|----------|------------|
| Your city/town/village | 58.8 | 24.6 | 10.2 | 5.6 |
| Your region | 60.6 | 24.8 | 10.2 | 4.2 |
| Your country | 62.4 | 23.8 | 9.0 | 4.4 |
| European Union | 24.6 | 26.2 | 15.8 | 31.8 |
| Europe | 27.4 | 30.6 | 15.6 | 25.0 |

Source: Borz et al. (2017)

5.2 Focus group results

To further explore citizens' perceptions of Cohesion policy and the relationship with European identity in more depth, 3 focus groups were held with 21 citizens. The group discussions took place in Newcastle during November 2017 and included between 6-8 participants per group. The groups were homogenous per age cohort and two of the groups had a stronger male representation (7/8 males relative to 2 females in both groups) which did not hinder the level of engagement by the female participants in the discussion. All respondents were residents in the North East England region, with a significant share living outside of the capital city of Newcastle. The participants were recruited through the COHESIFY citizen survey, which asked a random sample of respondents living in NEE to provide a contact telephone number if they were willing to participate in a focus group discussion on the topic of EU funding and attitudes to the EU. A payment of £25 was made to each participant as an incentive to participate. The key questions asked in the group discussions were about awareness and perceived effectiveness of Cohesion policy on the one hand, and attitudes to and identification with the EU on the other.

Cohesion Policy

Participants from North East England were generally aware of EU funding and some recognized the term "Cohesion policy" as well as the names of specific funds. As an example, one participant observed:

UK 4, Participant 4: *"I've read about them and I've heard about them [Cohesion policy funds], but they don't appear to be particularly cohesive in how they function, from what I've read. Both the social fund and the development fund. But that's a very shallow knowledge that I have."*

Participants were familiar with ERDF and ESF (UK 4 and UK 5), but only three participants in one group (UK 5) spoke about these funds spontaneously and when unprompted. One of these participants had worked with ESF in the past and thought that most citizens would recognize an acronym, but would struggle to know what its purpose was or how it operated.

Figure 2: Focus groups references to co-financed EU projects

| | |
|----------------------------------|--|
| Infrastructure: | Road projects in Scotland, Road projects in Poland, Ireland and Italy, Cycle paths |
| Environmental protection: | Sustainable flood defence (Morpeth) |
| Business support: | car factory (Nissan), industrial parks, business training |
| Employment: | Training for the unemployed |
| Urban regeneration: | Quayside development, Unspecified regeneration project in Northumberland |

Impact of Cohesion policy

In all three groups, the discussion about EU funding achievements was linked to the presence of the automobile industry (Nissan) in Sunderland (see Table 1), an area that voted strongly to leave the EU. Some believed that the EU and specifically EU funding was a factor determining the presence of Nissan in the region, while others believed the EU had no impact on the company's locational decision. More generally, participants perceived their region to be neglected in public investment terms within the UK context. Most of the criticism for the lack of public investment was directed towards national and local authorities rather than the EU. In this sense, the impact of EU funding was perceived positively by compensating for the absence of national public investment:

UK 5, Participant 1: *"[Local] Council would say we would provide money but national government is not providing it. Central government would turn around say we would give it to the councils but they are wasting it. In the midst of it all, the EU has come forward and ploughed money into the area, pretty much unheralded, because nothing would have been done as these two bodies would still be arguing with each other."*

Several participants were concerned for the development of their region after Brexit:

UK 5, Participant 5: *"We are left with what happens next. If the money stops coming in it begs the question who is it going to come from. If it doesn't come in we are going to be in one hell of a state."*

In all three groups, the lack of publicity and media reporting on EU-funded projects was identified as key reasons for the lack of citizen awareness of Cohesion policy.

UK 4, Participant 6: *"I don't think the trumpet's been blown enough to say what has been spent in this region."*

The other main implementation challenges related to accountability and mismanagement. For example, in two groups (UK 5 and UK 6), participants talked about the lack of acknowledgement of EU funding by local politicians. Mismanagement at the project level, limited visibility and fraud were among the problems identified by participants. Fraud was mentioned in relations to funds spend in the UK as well as in other Member States (Italy). Below we provide extracts that highlight the way some participants described the most dominant problems associated with Cohesion policy in North East England.

| | |
|----------------------------|--|
| Communication | UK 5, Participant 7: <i>"The money is there but you don't see it which is back to the question about signs."</i> |
| Accountability | UK 5, Participant 4: <i>"I don't think it's do with lack of funding, it's to do with the politics of actually admitting the EU is paying."</i> |
| Utility of projects | UK 6, Participant 6: <i>"The EU spend their money on vanity projects. In some of the areas they would be better of supporting people in the national workplace."</i> |

European identity

A shared European identity is not perceived to be popular in the UK nor is it perceived to be supported by political elites and the media. The UK is viewed as being separate from the rest of Europe due to a different culture, history and geography. The components of British national identity are constructed as more important and more unique to the extent that UK identity is incompatible with European identity. Leaving the EU is not perceived to affect the sense of Europeaness of British people, since this was non-existent and British citizens had not identified with the EU and its institutions.

Despite this geographical separation between the UK and Europe, participants did not deny that a sense of shared identity could be achieved through shared values, travel and personal contact with Europeans. In fact, participants supported this view by arguing that travel outside of the European continent can make them feel European. In social identity theory terms, the feeling of being European is present when they compare themselves to 'others' (non-Europeans) rather than focusing on the similarities of the 'ingroup' (Europeans). Overall, the participants did not believe that Cohesion policy could create a sense of European identity unless its benefits are communicated better to create awareness among citizens.

6. Conclusions

This study has investigated the implementation, performance and communication of EU Cohesion policy in North East England and the impact on citizens' attitudes to the EU, based on a mixed methods design drawing on desk research, stakeholder surveys and interviews, a large-scale survey of citizens and focus groups. This final section draws together the key conclusions and policy recommendations.

6.1 Key findings

North East England has been a significant beneficiary of EU Cohesion policy funding, particularly since the late 1990s, and has invested in emblematic and highly visible infrastructure projects and increasingly in developing entrepreneurship and innovation. The evidence suggests that the performance of Cohesion policy has been positive overall although it has not achieved some of the transformational objectives set in the programmes and performance has been negatively affected by the crisis, austerity and dismantling of regional economic development institutions in England since 2010.

There is limited robust evaluation data and evidence of the results and impact of communication activity in North East England, especially in terms of public awareness or attitudes. In 2007-13,

monitoring reports highlight the satisfactory delivery of planned actions, good implementation progress, stakeholder awareness of the programme and usage of the website, as well as compliant communication activity overall. The key lessons informing the 2014-20 approach to communication were a move towards social media to disseminate and communicate in real time, the importance of innovative channels to interact with stakeholders, reduced use of printed materials and the importance of a user focused website. Annual stakeholder surveys of communication tools in 2014-20 across the whole of England confirm stakeholder satisfaction overall and have provided feedback to improve communication tools.

However, the stakeholder surveys and interviews conducted as part of this research found that communication activity is an important but second order priority relative to other delivery tasks. The main target groups are applicants and beneficiaries (rather than the wider public) to support spending and publicity compliance. There is evidence of a dominant compliance logic to delivery, driven by increasing EU obligations and risk aversion which is detracting resources from both performance and communication activities. Many stakeholders consider that social media is not fully exploited to publicise achievements and disseminate project stories creatively in a way that engages the public. Further, the regional/local visibility, reach and engagement of policy stakeholders has reduced following the dismantling of regional development institutions in 2010/2011, according to many stakeholders. The centralisation of governance responsibilities during the 2007-13 period and in 2014-20 has also had negative impacts on the capacity of the Managing Authority and delivery bodies.

The citizen survey of 500 citizens in North East England shows that despite the lack of a high level of awareness of EU funded projects, people living in the North East of England are generally appreciative of the positive benefits of EU membership and of EU funding for their region or city's development. However, a majority of people in the North East of England do not think that European integration is a good thing and have doubts about the net (added) value of EU Cohesion policy for economic development. A significant majority of North East England citizens have a Europeanised identity, in terms of identifying themselves as mixed European-British or exclusively European. Interestingly, a higher share of residents categorise themselves as having an exclusive European identity in North East England compared to other COHESIFY regions, though far more residents have an exclusive national identity. Moreover, the intensity of attachment to Europe and the EU is relatively low.

Some of the survey findings chime with the results of the focus groups with citizens. The impact of EU funding was perceived positively by many focus group participants, especially in terms of compensating for the perceived absence of national public investment in the North of England. Concerns were also expressed about the potentially negative consequences of leaving the EU on development in the North East. Criticism of Cohesion policy mainly related to the lack of publicity/visibility of EU funding and media reporting, project mismanagement and instances of fraud. Moreover, participants did not believe that Cohesion policy could create a sense of European identity unless its benefits are better communicated to create awareness among citizens.

6.2 Policy recommendations

Based on the case study findings, a number of policy recommendations are formulated to increase citizen appreciation of EU Cohesion policy in the North East of England, which could also be relevant to domestic regional policy in a post-Brexit scenario:

- Pursue a more proactive approach to communicating the ESIF and their benefits by the MA and the European Commission, and more active encouragement to delivery bodies to go beyond mere compliance with regulatory requirements on communication
- Ensure communication is not just about acknowledging European funding but showcasing and promoting its benefits and achievements
- Ensure permanent and continuous communication activity over the whole programming cycle
- Ensure stronger EU/Commission presence in regions in partnership with local actors to deliver the message to citizens and recipients and acknowledge the EU dimension of support.
- Set common criteria for selecting good practices, as well as communicate and promote best practice examples
- Set a clear budget for communication activity from the outset, ring-fence funding for dedicated and professional staff who are trained in public communication and increase the funding available for publicity
- Ensure a coordinated approach to communication across all levels: Ensure effective cooperation of delivery bodies (the MA, lead partners) and beneficiaries to support clarity and consistency of messaging across communication channels, to maximise media coverage about the awarding of funding, to strengthen partnership communications activity
- Establish outcome/result indicators with baselines to ensure a strategic approach to communication monitoring and evaluation
- Require independent evaluations of the impact of communication strategies and tools, including on public attitudes
- Highlight the European dimension of support, emphasise the EU added value and additionality of European funding in public announcements, press releases and through other means
- Build and strengthen cooperation with the media, particularly through closer work with local press officers and liaison with the local media as an efficient way of ensuring communication on EU funded projects
- Increase and improve use of social media, providing coverage to a wide audience, highlighting individual success stories, the human dimension and raising awareness of the EU in the lives of individuals
- Highlight success stories through case studies and personal (human story) accounts
- Use simple and accessible language and deliver simple messages; focus on key, captivating messages delivering the value of the ESIF work in a way that would capture people's imagination; create an attractive and strong story-line; collect together evidence from different cases and demonstrate the EU value in a comprehensive way; build a brand that is understandable and meaningful for people
- Promote the use of creative visual communication (e.g. infographics and video clips)

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Annex I: List of interviewees

| Interview | Date | Type of organisation | Role |
|-----------|----------|---|-------------------------------------|
| 1 | 20.10.17 | National state institution, Managing Authority | Engagement and partnership officer |
| 2 | 20.10.17 | National state institution, Managing Authority | Project appraisal officer |
| 3 | 7.9.17 | National state institution, Managing Authority | Delivery system officer |
| 4 | 2.11.17 | National state institution, Managing Authority | Communications specialist |
| 5 | 18.10.17 | Private sector | Monitoring Committee chair |
| 6 | 17.10.17 | Private sector | Monitoring Committee representative |
| 7 | 24.10.17 | Environment Agency | Monitoring Committee representative |
| 8 | 17.10.17 | Local state institution | EU project officer |
| 9 | 17.10.17 | Local state institution | EU project officer |
| 10 | 26.10.17 | Business Association | Monitoring Committee representative |
| 11 | 17.10.17 | Local state institution | EU project officer |
| 12 | 25.07.17 | Local state institution | EU project officer |
| 13 | 01.08.17 | Local state institution | EU project officer |
| 14 | 04.08.17 | Local state institution | EU project officer |
| 15 | 30.10.17 | Trade union | Regional Secretary |

Annex II: Media framing of Cohesion policy in the UK

Figure 3.11.1  **United Kingdom**

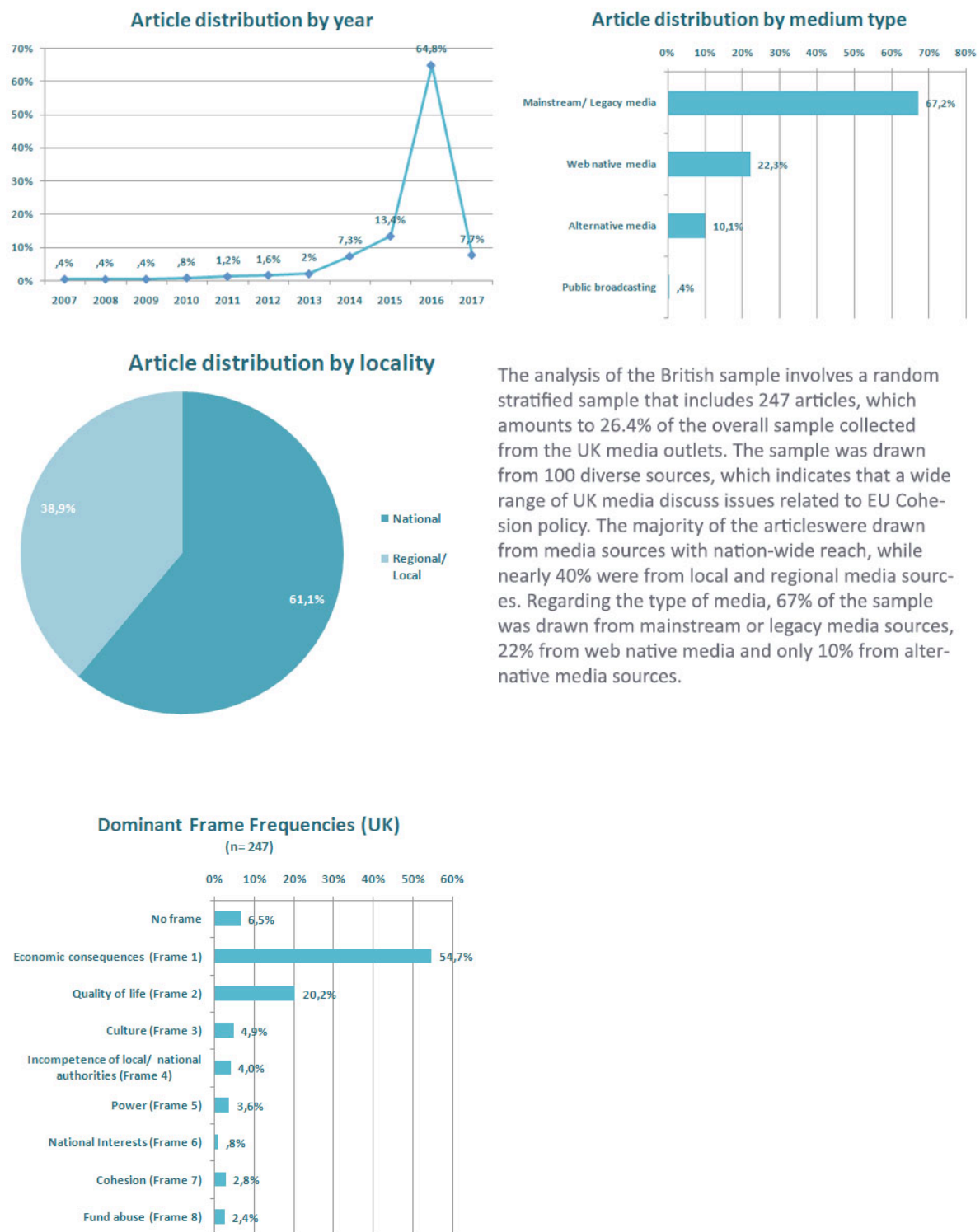


Figure 3.11.2
Dominant frame frequencies in British media

Dominant Subframe Frequencies (UK)

(n= 247)

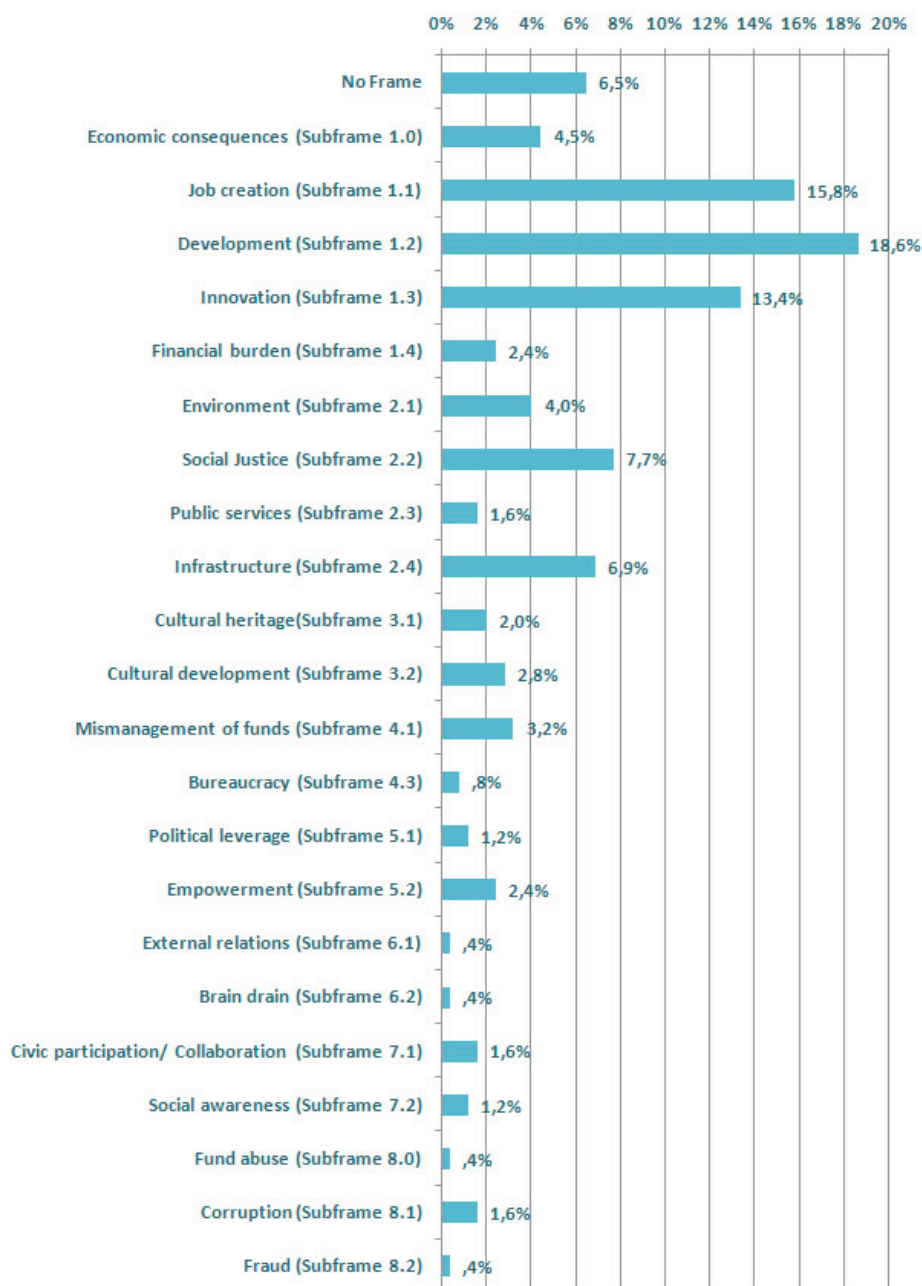
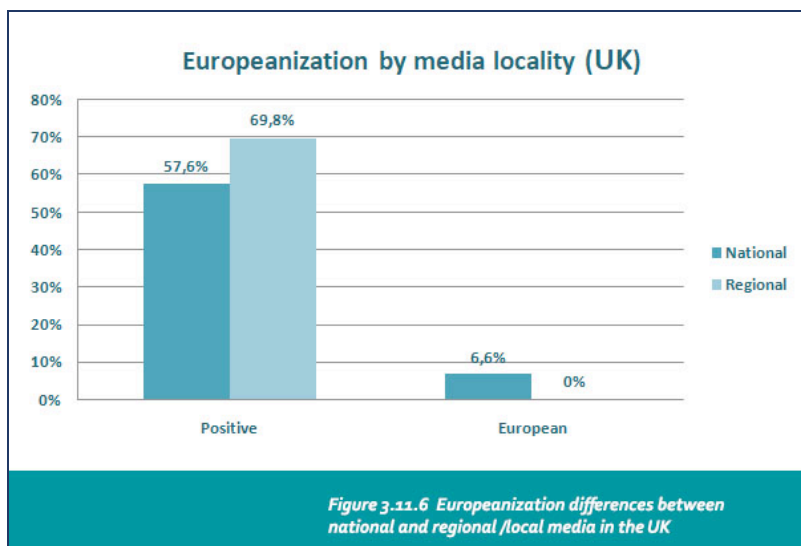
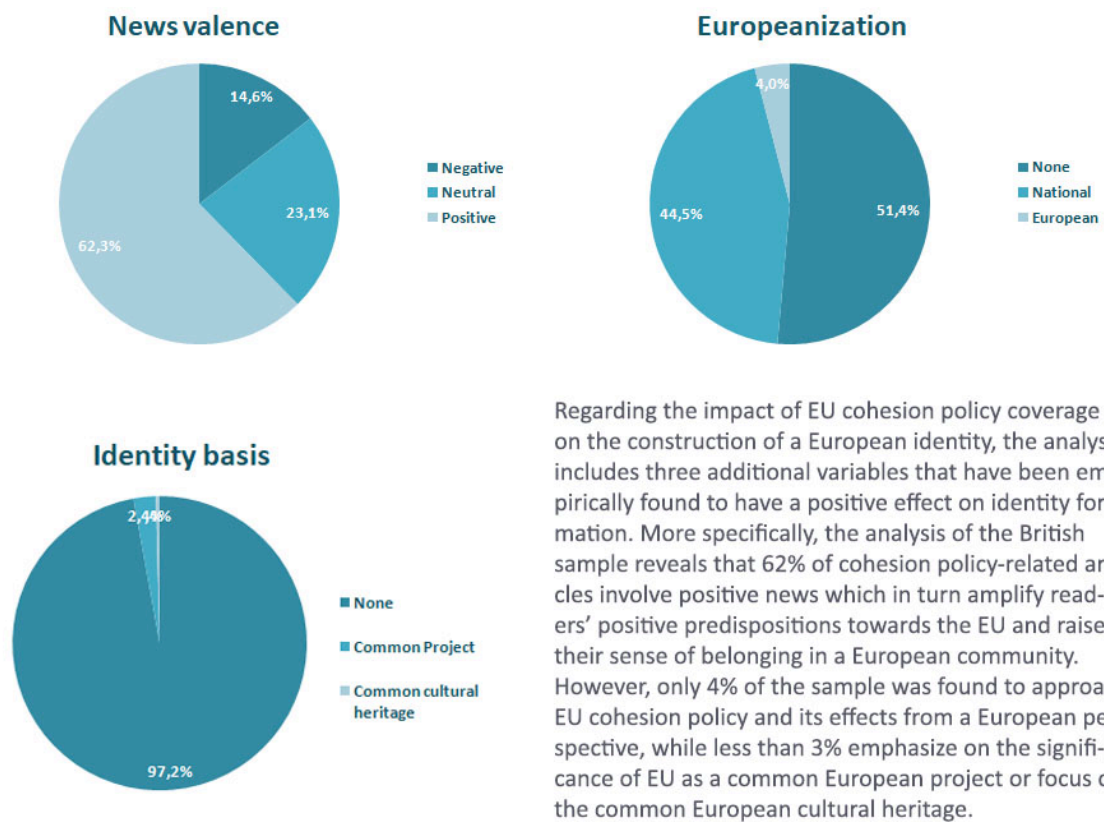


Figure 3.11.3

Dominant Suframe frequencies in British media

Figure 3.11.4  **United Kingdom - Europeanization variables**



Source: Triga and Vadratsikas (2018)

Annex III: Focus groups and participants

Table 34: Focus groups

| ID | Region | location | date | Duration | Number participants | female participants | Age range | Age range by year of birth |
|-------|--------------------|-----------|----------|----------|---------------------|---------------------|-----------|----------------------------|
| UKNE1 | North East England | Newcastle | 14.11.17 | 63 mins | 8 | 2 | 31-74 | 1941-1986 |
| UKNE2 | North East England | Newcastle | 21.11.17 | 59 mins | 6 | 4 | 42-72 | 1945-1975 |
| UKNE3 | North East England | Newcastle | 21.11.17 | 60 mins | 7 | 2 | 30-67 | 1950-1987 |

Table 35: Focus Group Participants

| ID / file name | Age | Gender | Name | Recruitment method | Education level | employment status |
|----------------|-----|--------|------|--------------------|-------------------------------------|-------------------|
| UKNE1 | 50 | Male | P1 | survey | Post-secondary | employed |
| UKNE1 | 31 | Male | P8 | survey | Tertiary education – first level | employed |
| UKNE1 | 53 | Male | P7 | survey | Tertiary education – advanced level | employed |
| UKNE1 | 65 | Female | P6 | survey | Tertiary education – first level | retired |
| UKNE1 | 63 | Male | P5 | survey | Tertiary education – first level | employed |
| UKNE1 | 76 | Male | P4 | survey | Tertiary education – first level | retired |
| UKNE1 | 74 | Male | P3 | survey | Tertiary education – advanced level | employed |
| UKNE1 | 64 | Female | P2 | survey | Tertiary education – advanced level | employed |
| UKNE2 | 42 | Female | P4 | survey | Tertiary education – first level | retired |
| UKNE2 | 45 | Female | P1 | survey | Post-secondary | employed |
| UKNE2 | 45 | Female | P5 | survey | Post-secondary | sick/disabled |
| UKNE2 | 56 | Female | P6 | survey | Tertiary education – first level | employed |
| UKNE2 | 71 | Male | P3 | survey | Post-secondary | retired |
| UKNE2 | 72 | Male | P2 | survey | Post-secondary | retired |
| UKNE3 | 43 | Female | P1 | survey | Tertiary education – advanced level | unemployed |
| UKNE3 | 30 | Male | P2 | survey | Tertiary education – advanced level | employed |
| UKNE3 | 65 | Male | P3 | survey | Tertiary education – advanced level | employed |
| UKNE3 | 67 | Male | P4 | survey | Tertiary education – advanced level | retired |
| UKNE3 | 55 | Male | P5 | survey | Post-secondary | employed |
| UKNE3 | 60 | Female | P6 | survey | Tertiary education – first level | retired |
| UKNE3 | 41 | Male | P7 | survey | Tertiary education – advanced level | employed |